

# **Social Security Bulletin**

**July 1938**

## ***Special Articles***

**Cost Factors in Old-Age Insurance**

**Deciding Claims to Unemployment Benefits:  
The British System**

**A Seasonal Index of Urban Relief**

**SOCIAL SECURITY BOARD**

**WASHINGTON, D. C.**

**Volume 1**

**Number 7**

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## **SOCIAL SECURITY BOARD**

WASHINGTON, D. C.

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**GEORGE E. BRIDGE**

**MARY W. DEWSON**

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## SOCIAL SECURITY IN REVIEW

The recent announcement by the Social Security Board of plans for a thorough study of experience gained in the administration of unemployment compensation marks the beginning of a new phase in the development of this program in the United States. With the data now available from operations under more than a score of State laws over a period of 6 months, it is possible for the first time to make a comprehensive study of the effectiveness of methods and procedures in State unemployment compensation systems. It is expected that this study will reveal strong and weak points in our Federal-State system and will point the way for developments in unemployment compensation during the next few years. On the basis of the survey, which is to be conducted jointly by the Social Security Board, the Interstate Conference of Unemployment Compensation Agencies, and individual State agencies, specific recommendations will be made for revision of State administrative methods and possibly of State legislation as well.

The principal objectives of the study were described as follows:

"1. Greater economy in unemployment insurance administration.

"2. Development of methods for calculating and paying benefits which will be more easily understood by workers and employers and will result in more prompt payment of benefits.

"3. Reduction, insofar as possible, of the volume of detail required of employers in complying with the legislation."

"It is important to remember," it was declared in the announcement of the study, "that the State administrative agencies and the Social Security Board had at the outset very little experience to guide them in matters of detail. Furthermore, the American system of unemployment insurance is fundamentally different from those of most other countries. We provide benefits in proportion to a man's past wages, rather than a flat amount regardless of former wages—a method

which is considerably more difficult to administer. In view of this fact, and in view of the rapidity with which the program was established throughout the country, the States have on the whole done an exceedingly good job. There are still difficulties, however, and some provisions in existing laws are unduly complicated." Specific recommendations on many points to be studied are expected to be completed this fall.

The total amount of unemployment benefits paid in May was somewhat above the total for the preceding month. Increases in the amounts paid by Indiana and Mississippi arose from the fact that in these two States benefits first became payable in April, and May was the first full month during which benefit checks were issued. Decreases in the amount of benefits paid were reported by 16 States and the District of Columbia. The decreases in some of the States were attributed to declines in lay-offs during the preceding weeks, to some seasonal reemployment, and to the exhaustion of wage credits of workers who had been receiving benefits. There was a slight decrease from the preceding month in the total number of initial benefit claims received in May. By the end of that month, the total amount of benefits charged to State benefit-payment accounts since the first of the year had reached nearly \$140 million. With the beginning of benefit payments in Iowa, Michigan, and South Carolina in July, the unemployment compensation program has become fully effective in 27 States and the District of Columbia.

Total Federal, State, and local obligations incurred for aid to the needy in May, including earnings under the Works Program but excluding transient care and administrative expense, amounted to \$247.8 million. This represents an increase of \$4.8 million over the total for the preceding month and is the highest total for any month for which figures are available. The estimated number of different households receiving public

relief under one or more of the several programs on which current data are published by the Social Security Board also increased in May to the highest total for any month since July 1936, the first month for which such an estimate was made. The total for May was approximately 6.4 million households, comprising about 20.2 million persons. Of the total costs incurred for May, nearly 60 percent represented earnings of persons certified as in need of relief employed under the Works Program; a little more than 15 percent represented obligations incurred from State and local funds for general relief extended to cases; and obligations incurred from Federal, State, and local funds for payments to recipients of old-age assistance, aid to the blind, and aid to dependent children accounted for nearly 17 percent. The balance was for allowances to persons enrolled in the Civilian Conservation Corps and for emergency subsistence payments to farmers by the Farm Security Administration.

Increasing recognition has been given in recent weeks to the continuing nature of problems of unemployment, public assistance, and relief. The record of the Third Session of the 75th Congress, which adjourned sine die on June 16, discloses an unusual concern over these problems, both in debate and in measures adopted to cope with them. A similar record would doubtless be revealed in the proceedings of many State legislatures which have held sessions in recent months. Concern with these problems, of course, is by no means confined to legislative bodies but holds a prominent place in the press and in many gatherings of public officials and social and scientific organizations. Sessions of the National Conference of Social Work, at Seattle, Washington, were dominated by consideration of questions related to unemployment and relief. Papers presented at this conference by a number of Government officials and experts in public welfare expressed great concern over the increasing magnitude of problems of dependency and stressed the need for improved methods of dealing with them.

The final report of the National Census of Partial Employment, Unemployment, and Occupations, released on June 27, provides a statistical basis for analysis of the problems of unemployment which hitherto has been almost completely lacking. Particularly significant among the conclusions resulting from analysis of data gathered in the census are facts with regard to the incidence

of unemployment among different occupational groups. The census figures not only show conclusively that the hardships of unemployment fall more heavily upon unskilled and inexperienced workers than upon trained workers but indicate that the problem which this conclusion suggests is increasing in magnitude. "This evidence of a very high ratio of unemployment among the unskilled emphasizes a real national problem," said John D. Biggers, Administrator of the census, in discussing the report. "If, as is indicated, the developments in industry call for workmen of higher skills, the obvious demand is to give more attention to proper vocational training so that the Nation may be able to utilize more easily these unemployed workmen."

As a result of the recent enactment of a bill to provide for a separate system of unemployment insurance for railroad workers, to be administered by the Railroad Retirement Board, direct Federal administration of unemployment insurance and old-age insurance programs are linked together in one agency for the first time in this country. Among the many significant implications of this development, two will be of immediate interest from the standpoint of social insurance administration. These are (1) the coordination of this federally administered unemployment insurance plan with existing State systems established under the Social Security Act; and (2) the joint use for unemployment and old-age insurance of one set of wage records maintained for the large group of railroad workers covered by the two programs.

There has been conjecture as to the extent to which workers covered by the Railroad Retirement Act may have also had employment covered by the Social Security Act's provisions for old-age insurance or by State unemployment compensation laws. Sample studies intended to throw light on this question have recently been under consideration by officials of the Social Security Board and the Railroad Retirement Board. The wage reports now being received by the Social Security Board from the Bureau of Internal Revenue are being posted to the accounts of individual workers at the rate of approximately 650,000 per day. The progress already made in posting these wage reports has been such that a substantial body of material on earnings is already available in Baltimore, and sample studies as well as general tabulations are now under way.

# COST FACTORS IN OLD-AGE INSURANCE

W. R. WILLIAMSON \*

The old-age insurance program established by the Social Security Act seems to follow in certain aspects the underlying principles of life and annuity insurance as developed under the auspices of private insurance companies. It should therefore be of interest to compare the actuarial processes of cost analyses in private insurance with those applicable to the Federal old-age insurance program and to point out certain differences between private and social insurance. Factors applying to future costs that are to a large degree measurable in the former are more hypothetical in the latter, subject as they are to a heavier weighting of future benefits and to the changing trends of social objectives and economic forces.

The actuary, in private life insurance, is assumed to understand the mathematical relationships of the business. In particular, he must be largely responsible for the determination of adequate premium rates for the benefits proffered. Ordinary insurance in the United States has commonly stressed more dramatically the benefits payable in event of death than the supplemental benefits payable because of continued life, and the insurance company's sense of responsibility is evidenced by the use of mortality tables which provide for more than the "most probable" number of deaths. There is now an increasing emphasis on annuities, or benefits to the living. The conservative mortality tables, developed for life insurance, are not conservative when applied to annuities. Equally conservative practice would require mortality tables for annuitants to indicate fewer deaths than are expected. This would provide a safe margin for contingencies and inadequacies in the estimates of factors governing costs.

The level-premium life insurance business has developed four distinct elements into which the individual premium of any single year can be broken: (1) contribution to the probable death losses of the year; (2) contribution to the year's expenses of administration; (3) the year's contribution to the reserve developed to supplement the later premiums when, since death rates steadily increase with age, the whole annual premium alone might be inadequate to meet the full costs of protection (this can be called the banking or savings

element); (4) the year's margin earmarked for the contingencies of the business, for some return to capital in stock companies, and, in participating insurance, for the payment of dividends or a share of the surplus to policyholders (for early policy years this margin may be negative).

Rules have been developed to determine, as a safeguard to policyholders, the required legal reserve for private insurance companies, based upon the best available standards recognized by State legislatures and supervising insurance departments.

The main duty of the actuary may be said to center upon a full understanding of the other three elements—death losses, administrative expenses, and margins. He must recognize the changing death rates. He must know with some degree of adequacy how the overhead expenses of the business will develop and how they are to be assessed against fairly rigid gross insurance premiums. He must know within reasonable limits such factors as the probable relationship between new business and renewals, and what real financial progress may be expected from a growing volume of business.

Since the primary source of income is the sum total of the premiums, which must be adequate for all these demands, the most important factor is an understanding of the proper handling of the "contingency" margin. The actuary must know the general trends of mortality, interest rates, average size of policy, costs of clerical and selling labor, special problems posed by the fact that the medical examination is a safeguard mainly for a short period after the examination, and other less obvious sources of loss or gain. He must learn to recognize the proportion of this margin which may wisely be allotted year by year as dividends to policyholders (and in stock companies to stockholders); the proportion which may be regarded as a sound provision for special known cost elements, left uncovered by the legal reserve standards; and the residue for true "contingencies," such as an epidemic, excess war mortality, or catastrophic economic conditions.

When the provision for death benefits is by far the major portion of the insurance company's business, a single mortality table, such as those specified by insurance departments for life insur-

\*Consulting Actuary, Social Security Board.



ance, might be used, in the interests of simplicity of supervision, to evidence all expected mortality. When, however, provision for annuity payments predominates, the table adopted for annuity valuation should be differently constructed. Other mortality tables, largely based on past experience and especially designed for annuities, have been used for annuity valuations. A forecast table, anticipating further improvement in mortality among future annuitants, would be desirable for a company writing annuities alone. Alternatively, in such a situation a wide margin for contingencies should be included in the gross rates, and the legal reserves should be supplemented by contingency reserves.

Mortality tables are rather technical affairs. While they have been much used by laymen, a thorough comprehension of their exact meaning is extremely rare. Even when they are quoted by insurance companies, it is rather exceptional for a clear statement to indicate that the company *does not expect* the past experience upon which they are based to be reproduced with any exactness in the future. Yet the ordinary insurance business is so important that such statements should be understood.

The direction of private insurance companies requires competent supervision to resolve the conflict between provision for complete and permanent company safety on the one hand and low net costs to policyholders on the other. Important also is the size of reserves for contingencies to allow for new trends which develop and to supplement the requirements of the legal valuation standards. The legal valuation standards are broad and basic; the individual company needs a closer scrutiny of its own liabilities.

The actuary's knowledge of premium rates, reserves, contract forms, must be supplemented by an understanding of the six following factors: (1) the method of selection of the entrants into insurance coverage for the purpose of eliminating the most hazardous risks; (2) the technique of effective salesmanship which brings in "new blood" at a reasonable rate in order to maintain a considerable proportion of the business in force within the period of low mortality following medical and underwriting selection; (3) the presumptive rate of growth of the company and such policy persistency as will balance the high first-year expenses by an adequate volume of lower renewal expenses; (4) the trends of such variables as mortality, per-

sistency, interest rates, insofar as they affect costs and solvency; (5) the modification of premium rates for new entrants and the adoption of a new dividend scale whenever the general conditions of the business make such modification desirable; (6) the control of future commitments by properly drawn policy provisions.

The distinctions between social insurance and private life insurance as developed in the United States are numerous. Private life insurance lacks the ability to force new applicants to join its ranks. Social insurance lacks the selective control over the entrants into the coverage which private insurance exercises by the privilege of rejection. Social insurance may not discard arbitrarily, by the methods of individual selection, those risks which will presumably increase claim rates. It emphasizes to a greater extent benefits to the living rather than benefits following death. Social insurance commonly reserves under national policy the right to change contribution rates and benefit rates, both for future entrants and for those already covered. It need not initially determine rates of contribution which are to hold for the entire duration of individual coverage, and it cannot determine them in perpetuity.

Social insurance thus functions because large groups of the citizens seem in need of a program to furnish certain benefits. Coverage is determined by law; it follows a formula. Under broad definitions, rules and regulations determine when old-age income shall be granted. Should increased rates of tax or contribution be necessary in the future, they must be determined by changes in the law, unless the law specifically grants such latitude. Only the *existing* coverage of the private insurance company enters into current rates and valuation. Its current coverage will diminish steadily because of the joint effects of death, maturity, expiry, lapse, and surrender. The "rate determination" and "valuation" of social insurance involve not only all the survivors of current coverage but all additional risks covered later. The weighting of *future* coverage is therefore so much greater in the actuarial consideration of social old-age insurance than in life insurance as to make the process of valuation much less dependable. Nevertheless, those responsible for administration of the old-age insurance program must survey initially, and periodically thereafter, the actuarial and social principles and operation of the system.



## COSTS—WHAT LIES BACK OF THE ESTIMATES

The Committee on Economic Security made crude estimates of the costs of the Federal old-age benefits program running to the year 1980, and of the anticipated trends of congressional appropriations and benefit payments. Estimates of the cost of prospective benefits involve many indeterminate factors. After social insurance is established by law, a long period of time is required for the development of adequate factual information to determine the general reasonableness of any estimates. Since under the Social Security Act ultimate benefits are determined by defined earnings over a period of time beginning January 1, 1937, the extent of the prospective benefits under the coverage is dependent on the amount of such earnings, and the amount of earnings fluctuates under many influences. Even though the prospective benefits determined by wages are evidenced to a large extent by established records, the failure to establish such records may not necessarily result in the denial of coverage to those for whom they have not been established. The legal determination of the fact and extent of coverage will presumably prevail over the preliminary statistical determination evidenced by the records.

In the following discussion certain factors pertinent to any such cost analysis are listed. Studies under all these captions must be initiated and carried through for a preliminary evaluation of the financial aspects of old-age benefits under the Social Security Act. The credence which such studies deserve is still limited. Census material pertinent to these studies has not been developed for the purposes of the act. Such material is not readily adaptable to the problems at hand, and arbitrary adjustments introduce potential errors. The census deals with a population which, over long periods of time and in many areas, has been somewhat careless in the reporting of such facts as dates of birth and death and periodic statements as to age. Employment precisely in keeping with the definitions of the act was not defined in former census reports. Ages of immigrants and emigrants are not easily ascertained. When population growth between censuses has been exceptional in some respect, the situation is difficult to explain, save by using a balancing factor, net migration.

In connection with the initiation of the Social

Security Act, it was estimated that the annual covered pay roll for 1937 would be in the neighborhood of \$28 billion, representing between 25 million and 26 million full-time jobs held by those initially covered, and additional workers as they qualified by engaging in covered gainful employment. There is as yet no clear evidence of the exact number of covered workers or approximate full-time jobs, though nearly 40 million benefit account numbers have been assigned and it is estimated that wage reports received for the first 6 months of 1937 represent 32 million persons for whom tax payments were made by employers liable to taxation under title VIII of the act. Within the next year there should become available considerable data with respect to employees whose employers have complied with the tax requirements of title VIII and have reported wages as a basis for such tax payment.

There is doubtless some degree of noncompliance or delay in the payment of taxes, and certainly some employers are awaiting legal or administrative decision on whether or not they and their employees are liable to the title VIII tax of the Social Security Act. The total tax receipts during the year 1937 seemed to fall somewhat below the amount anticipated in the early estimates. To what extent this implies that the aggregate wages of covered employees are less than those so roughly anticipated or that noncompliance is more general cannot yet be known.

There is a recognized lag in tax collection. Even though such employment changes as are now developed were accurately recorded, one can hardly believe that the tempo of the period of 1937 and 1938 is indicative of the situation during succeeding decades.

## RELATIVELY MEASURABLE FACTORS

Six major factors are involved in measuring the prospective costs of the Federal old-age benefits program, each of which will require careful analysis of vital and occupational statistics, mortality, wage rates, work habits and opportunities, and other economic and social trends in the United States. Granting that the coverage, benefits formula, and financial principles prescribed in the Social Security Act for old-age insurance remain static, the areas thus bounded have a constantly varying content. This content varies with chang-

ing birth and mortality rates, and with various economic and social trends. Under the headings of coverage, survival, continued work after 65, migration, industrial and technical development, and operating expenses are outlined the component parts which enter into these six factors susceptible to some cost measurement. It is patent that the effect of war, booms, and depressions on these various factors is unpredictable.

## Coverage and Wage Credits

The determination of coverage, the distinction between the "ins" and the "outs," measurement of present coverage by reported and estimated wage credits, and estimates of prospective coverage and wage returns are first steps in a preview of costs.

### *Present Coverage*

*Age.*—The Social Security Act excludes from Federal old-age benefits all individuals who were 65 years of age or over on January 1, 1937. Those who were from 61 to 64 on that date had limited coverage, to the extent that their wages from covered employment entitle them to lump-sum payments at age 65 or a death payment to their relatives or estates if they die before age 65.

Workers less than 61 years of age (with no minimum) on January 1, 1937, are potentially eligible for the benefits of the program—monthly retirement benefits or a lump-sum payment at age 65, depending on eligibility; a death payment before age 65, or an adjusted death payment after age 65. In using figures for age distribution of workers in estimates of coverage it must be remembered that some doubt as to exact age is inescapable, both in much of the census data and in employers' records. Age also influences the earning power of workers and affects the basis for age distribution of earnings.

*Employment.*—The provisions of the Social Security Act exclude from coverage all self-employment; work as an employer or member of a partnership; employment in agriculture; domestic service in a private home; casual labor not in the course of the employer's trade or business; work as officer or member of the crew of vessels; government employment—Federal, State, or local—and employment for governmental instrumentalities; service for certain educational, scientific, religious, or philanthropic organizations. Railroad

employees and certain other groups are also excluded from coverage under the Social Security Act by a provision of the Railroad Retirement Act. Substantially all other paid work performed within the United States is covered, beginning January 1, 1937, except when performed after the age of 65.

The fact of employment has been tabulated in certain census material. Since the census treats employment data in the aggregate without reference to the specific requirements of the Social Security Act, census figures require considerable revision to adapt them to those requirements. It is to be hoped that the 1940 census will meet social security needs more directly. There will gradually be developed records of employment as a result of wage reports filed in connection with tax payments under title VIII. Exact limits of the employment periods are not therein stated.

*Wage Receipts.*—Reports are required of employers liable to taxation under the Social Security Act, showing the total amount of tax payments and indicating the individual wages on which the taxes are based. These reports in turn serve for the accumulation of wage credits for all types of Federal old-age benefits. Subject to previously stated limitations, these accumulated wage receipts will eventually furnish data pertinent to the estimates of probable benefit payments. They will doubtless show significant changes in wage rates over the years.

It seems probable that employees who change employment frequently or who work for employers lacking adequate cost-accounting machinery may question the tabulated earnings credited to them by employer reports. They may, at least at the time of claim for payment, bring in evidence to substantiate additional wage credits. Some effort might well be expended, possibly every 5 years, to obtain employee acceptance of the accuracy of recorded wage credits, limiting such wage-record adjustment to a relatively short period.

Since the old-age benefits program in a sense parallels the coverage and records of unemployment compensation and other programs, similarly based upon wages, some coordination between the different social insurances may develop certain additional checks upon earnings reports. Such records are not yet available in any comprehensive form.

### **Prospective Coverage**

At least during these early years of operation, estimates of ultimate costs will depend to a greater extent upon problematic future earnings than upon past tabulated earnings. The discussion above has been limited to the consideration of information available on existing coverage. So far the available records are still very limited. Over the last 50 years the general trend of dollar wages has been upward. Many jobs in recent years have paid some three times what they would apparently have paid in 1890. Many jobs of the present day have no prototypes in the 1890 industrial scene. This upward trend was one of Sweden's concerns when revamping her pension plan recently. Is it reasonable to assume that we are ready to abandon the struggle for more dollars per annum per capita and instead to attempt to increase their purchasing power? Prospective earnings and the addition of increased numbers of workers to those now covered will depend upon many factors, whose advance measurement can be but crude at best.

*Earning Power.*—All the elements that go into the determination of earning power, such as age, sex, race, education, industry, occupation, are factors which must be considered in estimating potential future earnings. Steadiness of employment and wage rates, linking future to past earnings, must be considered on the basis of the best available evidence. Whatever arbitrary reasoning is adopted, the margin of error will probably be large.

The influence of the employment service and of unemployment compensation agencies, policies established by employers and labor unions, and other similar community attitudes, might result in either lower or higher dollar rates of pay over periods of time for a large number of people. So high a standard of wage rates might conceivably be maintained as to bar many semicompetent workers from regular jobs. This tendency would require supplementary programs of straight relief for the least competent workers or of work relief at a low wage scale for others.

Many people are now unable to work because of inadequate physical ability; others because of a long period of out-of-work status and a possible lack of mental adaptability under such circumstances. The extent and effectiveness of vocational rehabilitation, both from the standpoint of physical and mental health and training for spe-

cific types of gainful employment, are forces which should have a marked effect upon the work relationships of the future.

*The Movements Between Covered and Noncovered Employment.*—The wide shifts of employment opportunities resulting from radical changes in agriculture, commerce, industry, governmental supervision, and so forth, indicate very large prospective transfers in the future, as in the past, from one type of employment to another. Some evidence of this movement will accumulate from the old-age insurance wage records. Other evidence must be drawn from a census of employment and from such data as have been and will continue to be accumulated in the Bureau of Labor Statistics and other statistical agencies. These transfers, added to other forces, may well double initial coverage within a quarter century, largely increasing the financial requirements of later benefits. Estimates of coverage, effective by 1980, have been made, ranging from 35 million to 75 million.

The existence of the Social Security Act may possibly enhance the attractiveness of certain types of jobs to married women and even to the previously self-employed. Even without additional work opportunities, a very large number of people may perform intermittent work sufficient in amount to qualify them for the minimum monthly old-age benefit of \$10. Such work would have the same effect in increasing cost as transfers of workers from noncovered to covered employment, for both emphasize the chance of short-term employment, which has a high weighting in the old-age benefit formula.

*Changes in Definitions and Boundaries.*—It seems probable that many administrative and legislative changes may affect cost estimates. For example, many of the present boundaries between covered and noncovered employment may be shifted. The chance may be lessened that wages from several different jobs in the same year may greatly increase the size of lump-sum benefits and death payments. The limits in the three-term formula of benefits may be changed so that a different relationship may exist in the future between credited wages and benefit scales. These or similar changes may also affect the minimum age at which benefits are paid and the very attitude towards work after payments have begun. Even as the practical insurance actuary must remain in close touch with changing trends in his own business,



so must the administration of social insurance recognize not merely the possibility but the virtual certainty of such modifications.

## Probabilities of Survival

Most established mortality tables furnish inadequate indications of the probability of surviving. They are commonly constructed from the experience at all attained ages over a very brief period of time. The death rates among men of 80, for example, represent the death rates among survivors from the exigencies of life over the previous 80 years. The death rates among infants in a recent table are almost entirely the result of very modern conditions. Such tables fail to represent what we *expect* will be the future mortality among those who will be respectively 80, 60, and 0 years of age in such a far-off time as 1980.

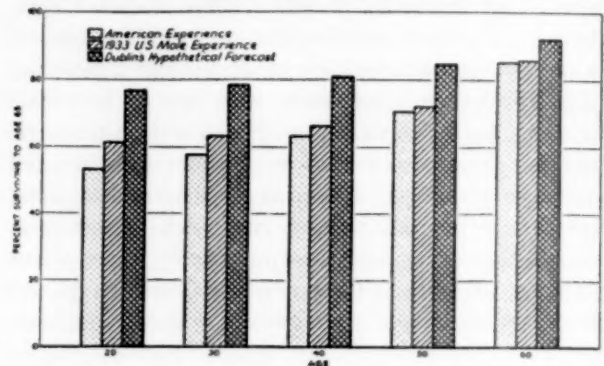
### Survival to Age 65

Chances of survival have been set down at quinquennial ages from 15 to 60 to indicate what, according to certain tables selected, are the so-called "expected probabilities" of reaching age 65. The United States life tables of 1900-02 show that of 1,000 persons aged 20, 514 will "probably" survive to age 65, while the table for 1933 shows that 614 will reach age 65, and the hypothetical table, that 769 will attain that age. In this range there is a difference of nearly 50 percent of the lowest "probability." At age 45 the respective ratios of survival to age 65 are 639, 686, and 824, per 1,000, a range of nearly 30 percent.

In considering *annuity* instead of *insurance* costs it is desirable to use a mortality table which really contemplates the most plausible situation in regard to life contingencies over the future. Such a forecast table would indicate more truly the expectancy of survival for the person now 80, for the person now 60, and for the infant. Such a table prepared for persons now aged 20 shows a rate of 713 per 1,000 surviving to 65, an increase of more than 15 percent over that indicated by the 1933 tables. The work of preparing "forecast" tables introduces methods slightly different from those utilized in the preparation of the old "experience" tables. Terminology concerning what we "expect" would be more correct in connection with forecast than with experience tables.

It will not be a single life table which is thus prepared, but rather a series of tables somewhat after the fashion of the select portions of existing life tables which cover the brief period following selection. We are not even sure of the mortality rates at various ages in the past. Extrapolation from them may develop cumulative errors. Our

Chart 1.—Life insurance experience contrasted with population experience and Dublin's Hypothetical Table: Percent of specified age who reach 65<sup>1</sup>



<sup>1</sup> See tables 1, 2, and 3 for sources of data.

records of vital statistics are known to be somewhat inaccurate and incomplete in spite of efforts to avoid these limitations. There has developed a technique of population extrapolation from past apparent trends with varying understanding of the component forces. Under such methods, presenting low, medium, and high estimates, there is a wide range among the various estimates of the age 65 survivors of 1980. There can be a large cumulative effect of slight variations between estimated and actual forces working over a period of 40 years.

A number of factors which enter into estimates of survival and their influences on costs are discussed in the following paragraphs.

*Diminishing Death Rates and Their Ultimate Effect.*—Improved medical science may keep alive a large number of physically unfit persons for a time, thereby adding damaged lives at higher ages. It is commonly hoped that the work of sickness prevention or health conservation will add much to the probability of survival by protecting large areas of the population from scourges of one sort and another. It may permit not merely a postponement of death but permanent improvement in vitality sufficient to reduce death rates steadily even at the higher ages, where improvement has not yet been very marked. Through improved



diagnosis the medical profession is steadily gaining in its ability to analyze what may be wrong with the human body and thus to clear the way for proper treatment and perhaps alleviate pandemics. The pneumonias, for example, can now be recognized more readily. A greater knowledge permits correct treatment to be promptly applied. It is conceivable that a large increase in survival may develop from this greater knowledge of the human system.

**Accident Prevention.**—At the same time that gains have been made in general health conditions, an increasing number of mechanical devices have been developed for common use, such as the automobile and the airplane. These produce added accidental causes of death which must then be analyzed with the goal of reducing accident frequency through a more thorough understanding and mastery of the equipment.

**Weight of Death Payments vs. Life Benefits.**—The value of the death payments under the old-age insurance program is decidedly smaller than the value of old-age annuity benefits. Reduction in number of death payments would follow improving mortality. This gain, however, would not balance the greater outlay to a larger number of annuitants who would survive because of improved mortality. Improving mortality, which with the life insurance company has heretofore been so much on the side of safety, becomes a debit in relation to Federal old-age insurance cost. When 80 to 85 percent of the benefits are retirement annuities rather than death settlements, improving mortality becomes a cost liability.

### Survival After 65

Whelpton and Thompson's<sup>1</sup> studies of future population growth have progressed to the point where from past mortality rates future mortality rates have been reasonably estimated. These show such marked possible reductions in the death rates from ages 65 to 80 as to add perceptibly to the prospective duration of monthly benefits under the Social Security Act. Elderton had assumed in his forecast tables<sup>2</sup> that eventually

<sup>1</sup> Thompson, Warren S. and Whelpton, P. K. "The Population of the Nation." *Recent Social Trends in the United States; Report of the President's Research Committee on Social Trends*. New York and London, McGraw-Hill Book Company, Inc. 1934. Ch. 1, pp. 1-58. Whelpton, P. K. "An Empirical Method of Calculating Future Population." *Journal of the American Statistical Association*. Vol. 31, No. 195 (September 1936), pp. 457-473.

<sup>2</sup> Elston, J. S. "Sources and Characteristics of the Principal Mortality Tables." *Actuarial Studies No. 1*. New York, The Actuarial Society of America, 1932, pp. 115-116.

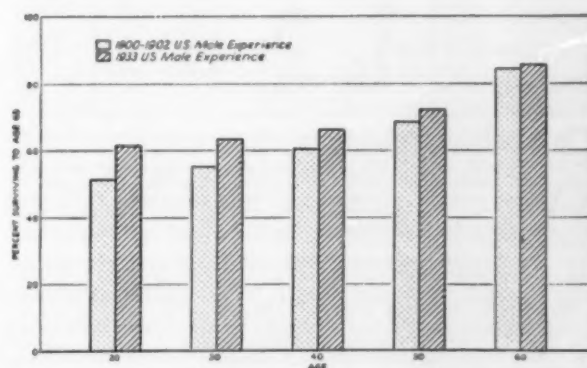
mortality improvement would become markedly effective at the advanced ages. An increased life expectancy of as much as 20 percent could be deduced from some of the Whelpton-Thompson assumptions above age 65.

## Continued Employment After Age 65

### Deferred Retirement

Monthly benefits under the Social Security Act differ from the customary deferred annuity of the private insurance company, payable upon the attainment of a given age, in that they are subject to reduction when the beneficiary engages in "regular employment." Thus, a most important part of estimating the costs of future benefits is concerned with the delay in retirement beyond the age of 65. In the early estimates of the Committee on Economic Security it was thought that an average of 2½ years' deferment could be safely assumed. In another estimate the deferment was 1¾ years. In one major industry it has appeared that retirement has been deferred 5 years beyond age 65 in the past. Deferment is

Chart II.—United States population experience 1900-1902 and 1933: Percent of specified age who reach age 65<sup>1</sup>



<sup>1</sup> See table 2 for source of data.

obviously not entirely a matter of personal choice. It involves many components determined by individual and general economic considerations.

**Employer and Employee Planning.**—When a worker plans in advance to retire at age 65 he arranges his personal affairs accordingly, so that work termination will be possible. When the employer plans on 65 as a normal retirement age for his workers he tends to make room for younger men by the retirement of the older. With knowl-

edge that the worker will have an assured retirement income, both employer and employee will tend to accept 65 as the retirement age.

**Working Capacity and Work Opportunities at Advanced Ages.**—Waning physical and mental powers remain one of the dominant reasons for retirement. If the man of 65 in the future is as good a risk as a man of 60 today—a hope held out by those working for improved health conditions—one of the major reasons forcing him out of work at 65 will no longer be dominant.

When it is believed that there are not enough jobs to go around, it sometimes seems desirable to give jobs to the younger and more energetic men and to deny them to the older men. With an increasing proportion of the aged in the population and the accumulation of real skills and experience for a more stable civilization, better work opportunities may develop for older men.

**Table 1.—Insurance experience: Percent of specified age who reach age 65**

Age	American Experience <sup>1</sup>	Medico-Actuarial <sup>2</sup>	American Men <sup>3</sup>		Group Insurance	
			Select	Ultimate	General <sup>4</sup>	Clerical <sup>4</sup>
15.....	51.2	-----	59.2	59.2	60.1	68.3
20.....	53.3	-----	60.4	60.3	60.9	68.7
25.....	55.4	63.3	61.7	61.5	61.7	69.2
30.....	57.7	64.9	63.1	62.9	62.7	69.8
35.....	60.3	66.5	64.6	64.3	63.9	70.4
40.....	63.2	68.3	66.3	66.0	65.5	71.4
45.....	66.5	70.5	68.8	68.2	67.7	72.9
50.....	70.7	73.6	72.4	71.5	70.8	75.4
55.....	76.4	78.4	78.2	76.6	75.8	79.6
60.....	85.2	86.1	87.9	85.1	84.2	87.1

<sup>1</sup> The American Experience table of mortality was prepared from mortality experience among the policyholders of a mutual life insurance company from 1843 to about 1860. It was first published under its present name in a schedule attached to an act passed by the New York State Legislature in 1868. The figures in this column are based on data in a paper by Fackler, David Parks, "The Genesis of the American Experience Table," *Actuarial Society of America, Transactions*, Vol. 10, No. 39 (May 21 and 22, 1908), pp. 509-514.

<sup>2</sup> The mortality rates from which these figures were computed were developed from a study of the experience of 43 companies conducted by a joint committee appointed by the Association of Life Insurance Medical Directors and the Actuarial Society of America. The data cover approximately 93 percent of the policies issued from 1885 to 1909 by all legal-reserve companies in the United States and Canada. See *Medico-Actuarial Mortality Investigation*. New York, The Association of Life Insurance Medical Directors and the Actuarial Society of America, 1912. Vol. 1, p. 89.

<sup>3</sup> Based on tables prepared by the Actuarial Society of America with the cooperation of the American Institute of Actuaries and the National Convention of Insurance Commissioners, analyzing the experience of some 60 companies. See *American-Canadian Mortality Investigation; Based on the Experience of Life Insurance Companies of the United States and Canada During the Years 1800-1915, Inclusive, on Policies Issued from 1843-1914, Inclusive*. The Actuarial Society of America with the Cooperation of the American Institute of Actuaries, 1919. Vol. 2, p. 182. The "select" figures include, and the "ultimate" figures exclude, the experience during the first 5 years a policy is in effect. The "ultimate" figures are commonly considered as indicating what the experience might have been if no medical examination had been required and no adverse selection on that account had followed.

<sup>4</sup> From Cammack's General Group Mortality tables for nonhazardous industries based on the group insurance experience of 6 large insurance companies for the calendar years 1925 and 1926. The data exclude individuals who were permanently and totally disabled prior to age 65; the figures thus show the percentages attaining age 65 as "active lives." See p. 257, Cammack, E. E. "Mortality Tables Constructed upon the Experience Under Group Policies," *Actuarial Society of America, Transactions*, Vol. 28, No. 78 (October 20 and 21, 1927), pp. 247-262.

<sup>5</sup> Developed in the Office of the Actuary, Social Security Board, from group life insurance data, 1932-35, among clerical workers. Source: Committee on Group Mortality Investigations. *Combined Group Mortality Experience, 1932-35*. Processed. 12 pp.

They will not then feel themselves barred from employment. Men in good health may not be anxious to terminate well-paid employment in exchange for a small old-age income.

**Ratio of Old-Age Benefits to the Available Wage.**—So long as any real choice exists, the degree to which workers retire voluntarily will be greatly influenced by the size of the benefits. Benefits have been set down as possibly averaging \$17 a month in 1942, \$44 a month in 1980. It would seem, therefore, that given the same level of living costs, the man eligible to retire in 1980 on \$44 a month would be more willing to retire than would the man in 1942 at \$17 a month.

**Standards of Living.**—Among the factors influencing the postponement of retirement there will undoubtedly be the community attitude towards higher living standards and the general conception of what constitutes a proper balance between consumption and production. A high standard of living for the whole community seems to need the productive cooperation of a large proportion of the citizens. This may determine how many of the competent elderly persons will continue at work rather than retire. Into this relationship will enter the ratio of the prospective monthly benefits to current possible earnings.

### Return of Annuitants to Covered Employment

As a credit to the cost of old-age benefits, the extent to which persons will engage in "regular employment" after they have once retired has been but little considered. While the vitality of the older man and the older woman is doubtless reduced with advanced age, it is possible that work opportunities for the aged may develop in the future, functioning in almost the same way as deferred retirement. Information on this factor will slowly develop from the records of old-age benefits claimants and the recipients of old-age assistance. It can hardly be regarded at the moment as a very tangible cost reduction, though it may become so.

### Migration

Most impressive among many American private and social insurance plans for old age is the virtual intention that once a person is covered he is, if he survives to old age, eligible for a benefit. This is not altogether true in Great Britain's old-age insurance program, where a man may drop out of

coverage after having been a member for a long time and can then anticipate no benefits under the strictly contributory plan at age 65. Should he need the benefit, however, he can at 70 apply for the same amount as a noncontributory pension. Since considerable emphasis has been placed on the nonforfeiture position of covered American workers, it is doubtful whether Congress will ever provide that migration from the United States will terminate right to benefits. On the other hand, migration into the country will add more coverage, and when migration involves short-service periods of work, the resulting benefits will presumably be considerably in excess of those justified by assuming that the current title VIII taxes on the wages of such persons are individual annuity premiums.

The history of migration has shown marked vagaries from decade to decade. Now that most countries are somewhat impressed with the prospect of decreasing rather than increasing populations, the only countries from which we could logically expect many immigrants because of growing populations would be Russia, Italy, Germany, and possibly some of those in the Far East. Migration is extremely important in that it is apt to be changed by political factors, for quotas may be shifted when it is deemed expedient to modify them.

Of probably greater importance is the migration from noncovered to covered industries.

## Industrial Development and Technological Improvement

The development of industry has been of incidental importance in its effect upon coverage, both before and after 65. This factor is of importance as a separate influence in the balance between covered and noncovered employment and in the development of work opportunities for an enlarged community where increased mechanization may be facing agriculture, construction, and other surviving craft forms of enterprise. The influence of industrial and technological development is thrown into high light in social insurance, since social insurance attempts to deal reasonably with those who have lost jobs. It could temporarily eliminate large groups of workers. Many engineers believe that great advances in per capita productivity are possible. The influence of such progress could either be directed toward increased

goods or decreased work. Probably an unpredictable combination of the two alternatives is ahead.

## Operating Expenses

The wage records maintained for the old-age insurance program are very voluminous and yet very simple. What expenses will be assumed in addition to this minimum cost of recordkeeping depends upon the basic philosophy of social insurance. The work is largely done by the Federal Government, and such factors of overhead as are represented by rent, postage, building service, retirement benefits and compensation benefits for Government employees, for example, may be shared with all other Government departments and be financed in a different way from that which is customary in insurance-company statements. Practically, however, just as the insurance company builds, so a Government erects a building to house its new activities. Most of the expenses of the insurance company have their counterpart in the Government. The operating expense rate for old-age insurance should be reasonably low because of the relative simplicity of the record forms and the economies of quantity production. Part of the saving which results from the fact that compulsory coverage eliminates sales work must, in social insurance, be expended for educational or informational activities. The crude cost estimates of the Committee on Economic Security assumed that ultimate administrative expenses would represent 5 percent of the title VIII tax collections in 1949 and thereafter. This still seems reasonable enough. Because of lag, early recorded expense rates may be unduly low as evidence of permanent costs. Other expenses will be dependent upon the extent to which the records compiled for the purpose of old-age insurance claims administration are made available to the whole broad field of social insurance, including unemployment compensation and health insurance, for example, and how wisely the social value of additional use of data derived from records kept in any case can be assessed, when extension to other surveys may add considerably to minimum costs. This leads into the field of conservation and general planned activity. Such extension of program must be handled slowly and with discretion. Costs may *seem* extreme and *be* economy. The cost-accounting activity in a multiple-line company suggests how to estimate what they are.



## LESS TANGIBLE INFLUENCES

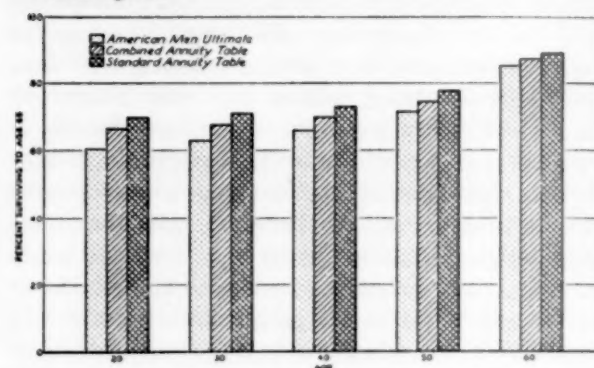
Political and economic influences upon industrial development can conceivably force dramatic change in the progress of benefit scales under old-age benefits. If social insurance develops to a point where it takes, for example, from 15 to 20 percent of the total income of the Nation, various economic factors might more than compensate for the cost. One development might be an increase of from 15 to 20 percent in working output so as to increase present living standards for all the working group and at the same time allow them to add to their activity for the sake of better standards for the nonworking group also. Already the workers are supporting all the nonworkers. The orderliness of budgeting for our social responsibilities and cooperation in maintaining those who by force of circumstances are unable to fend for themselves should improve and not reduce living standards, if possible.

Looking back over the last 45 years we can see intensive changes in the relationship of industry and commerce to agriculture and to service activities of the community. Similar changes might involve marked increase in the extent of paid employment of women who, through labor-saving devices, have been freed from much of the drudgery in the home. They could, therefore, contribute out of their saved time toward the enlargement of the entire community's services.

If, in the process of evolution, certain industries or industrial units were taken over by the Government, changes in coverage might result. Government employees are at present excluded from coverage under the old-age benefits provisions of the Social Security Act.

The current program under titles II and VIII of the Social Security Act can be considered as very largely a savings or banking program, where the emphasis is largely upon return of investment plus some interest. To some students of the subject social insurance seems more adequately handled through a greater use of the straight *insurance* idea of risk, with the chief emphasis upon protection, cooperation, and the elimination of any careful balance between the individual rate of contribution and the individual benefit, so important a tradition in private life insurance company activities. The banking philosophy may postpone unduly long the effectiveness of the social insurance plan. Changes will doubtless be made

Chart III.—Annuity experience contrasted with life insurance experience: Percent of specified age who reach age 65<sup>1</sup>



<sup>1</sup> See tables 1 and 3 for sources of data.

in the structure of the old-age insurance plan following shifts in social philosophy.

Social insurance, like most other Government activities, is paid for through the use of the taxing machinery. The financial arrangements are tax arrangements. With the passage of time, tax consciousness shifts, thereby changing in turn tax arrangements. The present division of tax burden between the employee, the employer, and the general taxpayer seems largely one of expediency and has been determined by the level of economic understanding at the time the program was adopted. As this specific tax responsibility becomes integrated with other tax responsibilities, such integration will effect changes in the number of persons who accept benefits and in the very formula of benefits. The chance of a full public understanding of taxation seems remote. The effect of such understanding on program and costs is vital.

The very small early benefits payable under the old-age insurance program of the Social Security Act may be supplemented by payments to needy beneficiaries under the old-age assistance provisions of the act. A needy aged person of either sex now looks to old-age assistance and State laws for aid when the immediate family seems unable to furnish support. Old-age assistance in its general provisions assumes a family cohesiveness for old-age support not specifically recognized in setting down the benefits under old-age insurance. Since old-age assistance functions through Federal subsidies to various State programs, the attitude of the various States will control the exact degree of responsibility demanded of the family. Insofar as an individual receives



benefits under both the assistance and insurance programs, the divergent emphasis upon family responsibility in old-age assistance will carry over into old-age insurance. The trend in old-age assistance administration seems to be away from reliance upon other members of the family for support. In the development of social insurance it is recognized that without cooperative budgeting public assistance may be extremely awkward. Social insurance is probably society's attempt to create some acceptable framework through which its various members may jointly contribute to the provision of specific benefits when a member loses his income from a job. The family organization is a small unit in the bigger organization of all citizens.

**Table 2.—United States population tables for white males: Percent of specified age who reach age 65<sup>1</sup>**

Age	1900-02	1909-11	1919-21	1920-29	1929-31	1933 <sup>2</sup>
15.....	50.3	50.7	58.5	58.8	58.8	60.7
20.....	51.4	51.6	59.6	59.6	59.6	61.4
25.....	53.1	53.0	61.0	60.8	60.6	62.2
30.....	55.1	54.6	62.6	62.1	61.8	63.3
35.....	57.5	56.7	64.6	63.6	63.2	64.5
40.....	60.4	59.4	66.9	65.6	65.0	66.2
45.....	63.9	62.8	69.7	68.3	67.6	68.6
50.....	68.5	67.3	73.3	71.9	71.3	72.1
55.....	74.8	73.5	78.5	77.3	76.8	77.4
60.....	84.5	83.4	86.6	85.7	85.5	85.7

<sup>1</sup> From census data for years specified reported in: U. S. Department of Commerce, Bureau of the Census. *Mortality Statistics*. Washington, D. C. U. S. Government Printing Office.

<sup>2</sup> "Life Table for White Males in the Continental United States, 1933." Computed by Statistical Bureau, Metropolitan Life Insurance Company.

In determining the virtually fixed interest rate of 3 percent per annum under the old-age reserve account, the problem of estimating future interest rates seems to have been solved. There remains the problem of the probability of change in such a base rate by amendment. If it is decided that the interest rate on the old-age reserve account should be determined more in accordance with the principles which have at the moment established 2½ percent as the rate in the one Federal flexible interest-rate plan, reduction in future returns from interest are to be considered possible. If, on the other hand, the rate on Federal bonds comes to be regarded as purely arbitrary, an increase to a higher rate, further veiling the extent of what some regard as a Federal subsidy, might be logical.

### LIMITATIONS OF ESTIMATES

Under a social insurance plan, cost estimates of future payments to the aged and of concomitant payments to surviving relatives of deceased workers or to their estates involve all the elements

discussed above. Studies must be carried forward, using pertinent data so that periodically the cost effects of mortality, health, migration, wages, retirements, work opportunities, and interest returns may be more closely approximated. The limitations upon applying the results of the studies directly to probable future costs must be clearly understood. Modifications in program may be economic; they are also political. Wise changes may be expected to follow the gradually growing comprehension of social insurance.

Provisions for old-age security are also closely interrelated with the entire field of social budgeting. It is possible that the present death payments under title II, which have been treated very lightly in these cost discussions since they are actually a minor portion of the program, may develop into survivorship benefits somewhat similar to the British program for widows and orphans. With every proposed extension in program, a full understanding of cost elements and the limitations on their evaluation becomes more essential. Family relationships and the distribution of primary and secondary beneficiaries by age, sex, race, and extent of paid employment, will become more important.

Life insurance, while anticipating a general improvement in mortality, nevertheless plans on an additional contingency margin in estimating future costs. To a greater extent must social insurance do the same thing, where most of the trends seem to be toward cost increases. Contingencies bulk much larger in the social insurance field. One of two important alternative decisions is desirable: (1) whether to provide for a much larger contingency margin in determining prospective tax rates when it is initially presumed that they can be determined for all time; or (2) whether to admit that there will probably be future increases in the tax rates in excess of those already stated in the act, recognizing that it is impossible to determine tax schedules for all time.

The separation of the tax and benefit titles in the Social Security Act has left doubt as to their exact relationship. In this peculiar American problem considerable circumlocution seemed necessary in outlining how old-age benefits costs are presumably to be met. Since the benefits under title II are based upon the same wages which are being taxed under title VIII, it is frequently implied that the tax collections beginning at approximately 2 percent of such wages in 1937, rising to 3 percent

in 1940, 4 percent in 1943, 5 percent in 1946, and 6 percent in 1949, are specific contributions by and in behalf of the employees toward their ultimate benefits. Strictly, however, these taxes are not earmarked. They become part of the general revenues and are pooled with all other Federal taxes. The appropriation authorized by title II year after year is to be determined in accordance with "accepted actuarial principles." Implicit in most discussion, however, is the assumption that, if tax rates under title VIII when reinforced by interest earnings are sufficient for the obligations incurred under title II, the appropriations to the reserve will in the long run be equivalent to the tax collections less estimated costs of administration.

The cost estimates included in the report of the Senate Finance Committee, indicating a reserve of some \$47 billion accumulated by 1980 out of the excess of appropriations over benefit payments, involved approximate values assigned to the six relatively measurable factors discussed above. The remaining five less tangible factors have not entered materially into these estimates, since the probability of change in program was not regarded as subject to valuation. Before the question of

yearly appropriations and the growth of the reserve can be discussed adequately these "imponderables" must also be taken into account.

Following the publication of the reports of the Senate Finance Committee and of the House Committee on Ways and Means, with their tables showing the progress of reserves, two somewhat different explanations of the factors entering into these estimates were made. One explanation assumed an average full-time wage of some \$1,100 per annum, the other an average per capita taxable income of less than \$1,000. Certain special ages of entry for new members into the covered group, once the initial coverage had been completed, were assumed by the latter explanation. Two slightly different estimates were made of the effect of delayed retirement beyond the minimum retirement age of 65. One explanation assumed the probability that, as better knowledge of the program developed, provision for costs could be gradually adjusted without assuming just how taxes would be collected over all time. The other seemed to assume that if a schedule of tax payments now determined for perpetual use were regarded as inadequate to meet benefit payments in the far distant future, provision for additional

Table 3.—Annuity experience and forecast tables: Percent of specified age who reach age 65

Age	Annuity experience (male)				Forecast tables		
	McClintock's Annuity Table <sup>1</sup>	American Annuitants' Ultimate <sup>2</sup>	Combined Annuity <sup>3</sup>	Standard Annuity <sup>4</sup> 1937	Dublin's Hypothetical Table <sup>5</sup>	Whelpton's future estimates <sup>6</sup>	
						Present	Ultimate
15.....	49.6	.....	65.5	69.4	76.4	70.4	75.3
20.....	51.5	.....	66.2	69.8	76.9	71.3	75.8
25.....	53.6	.....	66.9	70.3	77.6	72.5	76.5
30.....	55.9	59.9	67.6	70.9	78.6	73.6	77.2
35.....	58.5	63.0	68.5	71.8	79.7	74.9	78.0
40.....	61.4	65.1	69.8	73.0	81.0	76.4	79.1
45.....	65.0	67.9	71.7	74.9	82.4	78.5	80.6
50.....	69.6	71.7	74.7	77.8	84.5	81.3	82.9
55.....	75.8	77.4	79.5	82.1	87.3	85.1	86.2
60.....	85.2	86.0	87.1	89.0	92.0	90.9	91.4

<sup>1</sup> McClintock's Annuity table was the minimum standard basis for the valuation of annuities in New York State from 1907 to 1930. It is based on graduated and adjusted experience of 15 American insurance companies prior to 1892. See McClintock, Emory. "Special Tables for the Estimation of Mortality Among Annuitants." *Actuarial Society of America, Papers and Transactions*, Vol. 6, No. 21 (May 18 and 19, 1899), pp. 13-23.

<sup>2</sup> Based on an investigation by Dr. Arthur Hunter covering approximately 95 percent of all immediate annuities, issued in the United States by 20 companies, prior to and including 1917. The figures exclude experience during the first 5 years the policies were in effect, in order to eliminate the influence of selection in the early years. See Hunter, Arthur, "Mortality Among Annuitants and Premiums Based Thereon." *Actuarial Society of America, Transactions*, Vol. 21, No. 63 (May 20 and 21, 1920), pp. 157-177.

<sup>3</sup> The Combined Annuity Mortality table was prepared a few years after insurance companies began issuing group annuities. Meager annuity experience was available for the younger ages, hence an empirical table was constructed with Cammack's Group Life Clerical Mortality table as a foundation up to age 50, combined with the American Annuitants' Ultimate table at the higher ages. The Combined Annuity Table has been the minimum valuation basis for all annuity contracts in New York State since 1930. See Craig, J. D. Discussion of E. E. Cammack's "Mortality Tables Constructed Upon the Experience Under Group Policies." *Actuarial Society of America, Transactions*, Vol. 29, No. 79 (May 17 and 18, 1928), pp. 118-125.

<sup>4</sup> This table was prepared in a manner similar to that of the Combined Annuity table (see footnote 3). With certain adjustments, 1932-1936 group life clerical mortality experience was used for the younger ages and then graded in at age 60 to the American Annuitants Select table adjusted for improvement in mortality among annuitants since 1918. See Kineke, Frank D. "A New Annuity Mortality Table." *Actuarial Society of America, Transactions*, Vol. 39, No. 99 (May 19 and 20, 1938), pp. 60-65.

<sup>5</sup> A hypothetical table based on a New Zealand life table (1931) adjusted for U. S. population experience in 1929-31. See Dublin, L. I. and Lotka, A. J. *Length of Life*. New York, Ronald Press Co., 1936, p. 194.

<sup>6</sup> Whelpton's estimates indicate probable changes in the composition of the future population of the United States, resulting from prospective trends in birth and death rates and in net migration. The "present" rates refer to persons aged 20-24 in 1930; the "ultimate" rates involve estimated mortality rates at ages attained in 1960. Figures computed in the Office of the Actuary, Social Security Board, from data in Whelpton, P. K. "An Empirical Method of Calculating Future Population." *Journal of the American Statistical Society*, Vol. 31, No. 195 (September 1936), pp. 457-473.

appropriations beyond the yield from such special tax schedules would be immediately necessary. The validity of assuming that one *can expect* to strike a balance in perpetuity may be questioned. Adjusting the end factors to obtain balance might be too simple.

In analyzing the cost estimates for the later years, as set forth in the Senate Finance Committee report, it seems probable that the following situations need to be tentatively recognized now. (1) Many more workers will probably be covered than the Senate report data seemed to indicate, though its cost analysis was in terms of dollars of benefits rather than number of recipients. (2) Many of the workers covered are apt to have limited periods of covered employment, and their benefits will be larger in proportion to their taxes than will the benefits for long-term members of the plan. (3) Many more annuitants from the covered group will survive to age 65 and will live longer after reaching age 65 than indicated as probable in the use of the life tables prepared from census data for the Committee on Economic Security. It seems likely that recent mortality improvement may be expected to continue into the future.

A careful revaluation of these three factors, ignoring the possibility of changes in wage levels, might easily show a 50-percent increase in benefit payments in 1980 over the figure of \$3.5 billion set forth in the Senate Finance Committee's report. The 1980 benefit payments and expenses of administration were there assumed to approximate 10 percent of the annual compensation of the covered employees of that year. If a 50-percent increase occurred in benefits without a change in pay rolls, the costs might reach 15 percent of pay rolls. With a small increase in aggregate taxable pay roll of the period, the percentage of cost might lie somewhere between 10 and 15 percent.

Over against the six simpler elements of costs, the five "imponderables" are much more important and, of course, virtually unmeasurable. Changes in basic philosophy seem fully as probable as formula changes, but their specific trends are much less predictable.

The problem of social insurance costs, were it not for the need to determine how the costs are to

be met and the assumption that we can predict them accurately, would not be a pressing one. The right to make subsequent modifications in benefits and taxes is explicit in the act, and the meaning of that right can be fully understood. Logical changes in estimates of future costs can be made much more easily after the completion and full review of comprehensive studies herein indicated as necessary. The recognition of this dominant safety factor with freedom from pretense that any all-time maximum rate of contribution can be determined today leads away from surprise and dismay and toward mature acceptance of the complexity of the problem.

Studies have been begun which within the next few years should considerably advance the knowledge of many of the factors entering into estimates of social insurance costs. As time goes on, many of these factors will doubtless develop surprising relationships, for we can hardly anticipate the next steps in the rapid changes within our economic situation. We are quite uncertain as to the relative importance of the factors and their component parts. We need not be surprised, either, by the discovery of additional factors not herein discussed, factors which may outweigh all others in importance. Costs may be what we make them, but we are not yet sure how control can be exercised.

This major indefiniteness, therefore, must be accepted as inherent in any social insurance plan. No one should pretend that the precedents of the relatively simple problems of the insurance business or of the single employer pension fund permit the determination of any accurate costs today for our program of old-age benefits. We should be especially wary in believing that the mere assumption of values for the factors before data can be assembled gives any adequate support to the plan. The accumulation and analysis of such data will take years.

This indeterminate quality of old-age insurance costs may itself be the strongest argument for shifting our attention from the problems of 1980 to a more thoroughgoing consideration of present needs. We cannot foretell the future, but we can see the necessities of the present. A shift in attention should be most rewarding.



# DECIDING CLAIMS TO UNEMPLOYMENT BENEFITS; AN OUTLINE OF THE BRITISH SYSTEM

RALPH S. HARDIMAN \*

In April of this year benefits under State unemployment compensation laws were payable in 24 States and the District of Columbia. In July three more States are to start payments. As States have developed and expanded their benefit-payment procedures, it has become evident that many provisions of State laws raise difficult questions of interpretation. Moreover, unfamiliarity with the conditions required for the receipt of benefits has given rise to a large number of contested claims, and administration and workers alike are focusing attention upon procedures for the determination of claims and for appeals.

For guidance in the development of adjudication procedures and techniques, a consideration of the experience of Great Britain, where the unemployment compensation system has been in operation for many years, should be helpful, as it was earlier when the laws were drafted.

The British method of deciding claims to benefit has admirable qualities, and over a period of years it has been found to be successful. Few changes have been required in recent years. However, in adapting any part of the British system to the needs of State agencies administering unemployment compensation in this country, careful consideration must be given to the fact that the problems of administering a new system are necessarily different from those which arise where the law has been in operation over a long period of time. In this country interpretation of the laws is still uncertain; claimants are frequently unaware of their rights and do not understand procedures; and employers, who have the right to appeal decisions favorable to claimants, often do not understand the disqualifications upon which they base their appeals. The personnel administering the act is new, and, for the most part, unfamiliar with the problems which will arise. Then too, the social and economic background of the American people gives rise to a different industrial psychology, which must be given adequate recognition. The methods which work satisfactorily under a well-

established system are not completely adequate to handle the problems of the new.

## *Deciding Claims to Benefit*

In Great Britain, the decision as to whether or not a claimant is entitled to unemployment insurance benefits is vested in certain statutory authorities, appointed under the Unemployment Insurance Act. These authorities are insurance officers, courts of referees, and the Umpire.

The insurance officers, appointed by the Minister of Labour, consist of a chief insurance officer, located in London; a divisional insurance officer for each of the nine divisions; and officers attached to each local employment exchange. The manager of the exchange serves also as senior insurance officer in the exchange area.

The primary duties of local officers consist of examining claims, allowing benefits, or referring cases for decision to the courts of referees. While local officers cannot disallow claims involving the statutory disqualifications for misconduct, voluntary leaving, refusal of suitable employment, and such conditions as the requirement that the claimant be capable of and available for work, they may disallow claims affected by the trade-dispute disqualification and most other statutory requirements.

The divisional insurance officer reviews claims referred to him by the local insurance officer and also all decisions of the courts of referees which the local insurance officer believes should be appealed to the Umpire. When the divisional insurance officer agrees with the recommendation to appeal made to him by the local insurance officer, he in turn refers the case to the chief insurance officer, upon whom rests the final decision as to appeal to the Umpire.

The courts of referees sit in the various court districts into which the country is divided. The court is usually held in or near the local employment exchanges. The chairman of the court is appointed by the Minister of Labour; the other two members are drawn from two panels—one representing employers, the other, insured workers.

\* Bureau of Unemployment Compensation, Unemployment Compensation Interpretation Service.



The panels consist of persons appointed by the Minister from nominations of local employment committees. They must be either insured workers, representatives of an association of insured workers, employers, or employers' representatives. The panels are appointed for a term of 3 years, and the members are usually called in rotation to sit with the court. Whenever practicable, women are chosen for women's cases and men when men's cases are being considered. Members are not permitted to sit in any case in which they have an interest. A clerk of the court performs the clerical work; he takes no part in the court's discussion or its decision.

The Umpire is appointed by the Crown for an indefinite period to hear appeals from decisions of the courts of referees. He is assisted by one or more Deputy Umpires. No special qualifications are designated in the act for this appointment, but it is interesting to note that, of the three Umpires who have been appointed since the beginning of the unemployment insurance system in 1911, two have been selected from the judges of the higher courts. The decisions of the Umpire are final; no appeal to the courts of law is permitted.

### **Initial Determination**

When an individual becomes unemployed, he must get his unemployment book from his employer and leave it with the nearest employment exchange until he is reemployed. At the exchange he must fill out a claim form giving, with other information, the name of his last employer, the dates of his employment, and the reason for its termination. A copy of this statement is sent to the insurance officer investigating the claims at the exchange. He notifies the employer that a claim has been filed and sends him a form containing the information given by the claimant. The employer is asked to verify this information and to state why the claimant left his job. The employer is told that, if his reply appears to indicate any reason for disallowing the claim, a copy will be sent to the claimant, and possibly to the claimant's union.

A summary of the conditions and disqualifications for the receipt of benefit under the unemployment insurance act is printed on the back of the form. These conditions and disqualifications are similar to those provided in many of our State laws.

Briefly, the form states that, although the em-

ployment of a claimant has terminated, he is not considered to be unemployed during a period in which he continues to receive wages or any payment which is compensation for the loss of, and is substantially equivalent to, the remuneration he would have received if the employment had not terminated.

To qualify for benefit, the claimant must be capable of and available for work.

A claimant who loses his employment through misconduct or who voluntarily leaves his employment without just cause is disqualified for receiving benefit for a period not exceeding 6 weeks.

A claimant is disqualified for a similar period for receiving benefit if it is proved by an officer of the Ministry of Labour that he has, without good cause, refused or failed to apply for, or refused to accept, suitable employment when he was notified of such employment by an employment exchange or when it was offered to him by an employer.

A claimant who has lost his employment by reason of a stoppage of work which was due to a trade dispute at the factory, workshop, or other premises or place at which he was employed is ordinarily disqualified for receiving benefit so long as the stoppage of work continues, except in a case where he has, during the stoppage of work, "become *bona fide* employed elsewhere in the occupation which he usually follows or has become regularly engaged in some other occupation."

No attempt is made, when informing the employer of the claim of his former employee, to quote the act or to set out in complete detail the various provisions. The form gives sufficient information concerning the disqualifications, however, to enable the employer to answer the questions intelligently and also to point out to him the significance of any statements he may make.

Although employers are not required by law to return the forms sent them, they are urged to cooperate in the matter. In the early days of unemployment insurance many employers were antagonistic. In recent years, however, most employers have been cooperative.

If the employer's reply is inadequate, supplemental forms may be sent him containing informal questions designed to bring out the necessary facts. Likewise, the insurance officer may visit the employer personally or call in the claimant, in order to make a more complete investigation. Such cases are few, however, and most investigations are conducted by mail.

If it appears, from the employer's reply, that there may be ground for disqualification, a copy of the reply is made on a special form and sent to the claimant. This form contains a copy of the questions addressed to the employer and the employer's answer to each. The back of the form provides space for the claimant's comment on the employer's replies. The claimant may deny the allegations or introduce explanatory matter showing justification or excuse for his conduct. He may also indicate that he wishes his union to be notified if the claim should be referred to the court of referees. Since claims are referred only when the insurance officer feels that he cannot allow them, the claimant must be prepared to present a strong case to the court in order to substantiate his claim to benefit.

A brief statement of the several disqualifications is also included on the form. For example, it explains that the word "misconduct" includes breaches of discipline or company rules, or conduct which is inconsistent with the fulfillment of the conditions of service or which renders the worker incapable of performing his work efficiently. Since the act contains no definition of misconduct, this explanation is derived from the Umpire's decisions.

When the case involves refusal or failure to apply for or accept suitable employment, the officer of the exchange notifying the claimant of the vacancy submits to the investigating officer, on a special form, particulars concerning both the claimant and the employment which was offered. The information includes the name of the prospective employer, the place of employment, nature of the work, a statement of the claimant's previous experience in work of that kind, the length of time the employment was expected to last, the distance from the claimant's home, facts concerning the wages and hours, the rate provided by union agreements where such an agreement is in operation in the locality, the rate generally paid by "good" employers, in the absence of such agreement, and data concerning the notification to the claimant and his refusal.

To this information the investigating officer adds the claimant's reason for refusal or failure to apply, and facts concerning lodgings or housing accommodations if the work offered was not within daily traveling distance of the claimant's home. If the officer considers the claimant's refusal unreason-

able, he gives the reasons for his opinion and includes information concerning the claimant's opportunities for obtaining other work and his industrial record and previous earnings. In this connection, greater leniency is permitted when the claimant has a good employment record and reasonable opportunities for future employment than when he has frequently been or is likely to be a burden to the fund.

On the evidence thus collected, the insurance officer renders his decision. He may either allow the claim or refer it to the court of referees. He is not permitted to disallow claims in cases of this kind. Notice of the decision is mailed to the claimant, and, if the case is to be referred to the court of referees, the claimant's local union is advised of the fact.

#### *Notification of Disallowance*

When the claimant is notified that his claim is disallowed (in those cases in which the insurance officer may and does disallow), a complete statement of the decision and reasoning of the insurance officer is sent to him and he is advised that he may make an appeal within 21 days by stating his reasons for appeal on the back of the form and returning it to the local employment office. He is further instructed to continue to sign the unemployed register in accordance with directions previously given him.

#### *Referrals and Appeals to the Court of Referees*

Referrals to the court of referees are made on a prescribed form, which is designed to present clearly and concisely the information which has been collected by the insurance officer. Separate forms are used in cases involving refusal of suitable employment, misconduct, or voluntary leaving, and cases of married women. Married women receive special treatment under the "Anomalies Regulations," which were designed in part to prevent married women who have no intention of continuing in employment from obtaining benefits. Other cases are referred on a general form to which is attached special supplemental information forms.

The general referral form also provides space for the court to enter evidence obtained at the hearing, its findings of fact on questions material to the decision, and the full text of the decision itself, including a minority report if any is made.

The referral form for cases involving refusal of suitable employment contains all the information submitted by the placement and investigating officers. On the back of this form is entered the report of the proceedings of the court of referees, including data concerning the composition of the court, persons notified or summoned to attend, and other persons present. Where any members of the court are absent, the form also contains the claimant's signed consent to the consideration of his case in the absence of any member except the chairman. The claimant is not obliged, however, to have his case heard with less than a full court. When the court consists of two members, the chairman has a second, or deciding, vote.

Other referral forms are similar in character; each contains printed information relevant to the particular type of case. All forms provide space for the insurance officer's observations and recommendation, which may include reference to pertinent decisions of the Umpire.

Appeal forms, used in appeal against decisions of the insurance officer in those cases in which he disallows benefits, present the insurance officer's decision and the local office report—which includes the claimant's original statements, the grounds on which the appeal is based, and the insurance officer's observations. Space is also allowed for the usual report of proceedings of the court of referees.

It may seem that these procedures demand considerable unnecessary clerical work from the local office. The conclusion is undoubtedly true in those cases in which the claimant does not answer the employer's charges or appear at the hearing in his own behalf. Much of this work could be eliminated if the insurance officer were permitted to deny benefits when the claimant fails to reply, but since he lacks this power in certain types of cases, complete referrals must be made to the court of referees.

The advantages of using the mail to complete the data required in the general run of cases are obvious. Many claims can thus be handled by a small staff of clerical assistants, and the insurance officers are left free to investigate special cases such as may arise in the case of labor disputes. Moreover, since the claimant may be called in for questioning in doubtful cases, the advantages of personal contact are not lost.

### *A Typical Hearing*

A typical hearing of a court of referees is as follows:

*The Court.*—A normal sitting of the court lasts about 3 hours, during which time a considerable number of cases can be handled. Because much of the necessary information has already been obtained by the insurance officer, cases frequently are disposed of in 10 or 15 minutes. The court does not, however, attempt to rush cases through, but gives each case fair consideration. It sits as frequently as is necessary to handle the burden of cases. During the consideration of any claim, the claimant and his representative, the employer and his representative, and the insurance officer or representative of the employment exchange may be present. (In cases involving juvenile employment, a representative of the juvenile employment committee may also be invited to attend in an advisory capacity.) These persons, however, take no part in the discussion of the decision and may be asked to leave the room while the discussion is taking place. The hearings are not open to the public and newspaper reporters are not permitted to attend. The claimant is always either summoned to attend or notified of the hearing. The employer is ordinarily not notified of the hearing unless he so requests; however, he is generally called upon to attend labor-dispute cases and cases in which it is contended that conditions of employment in his establishment are less favorable than those provided by minimum standards in the act. He may, of course, be asked to attend in other cases if it seems advisable.

*The Hearing.*—The court usually sits in a room connected with the employment exchange or in a room nearby, which is easily accessible to the workers in that locality. The room is simply furnished, with tables and a few chairs. Since claimants are not allowed to be present during discussion of the decision, a waiting room is provided outside for such occasions. The clerk ushers the claimant before the court, and the hearing proceeds informally, the claimant usually sitting across the table from the chairman. The claimant presents his own case, or, if he is accompanied by a representative of his union, the representative may present the case for him. The claimant may not, however, be represented by a lawyer. The chairman and each member of the



court has before him a copy of the data compiled by the insurance officer. The claimant has also received a copy and is therefore prepared to face the questions which the chairman now proceeds to ask him, in a conversational manner. The claimant is asked to explain just what happened in his case, how he came to leave his employment, and what other circumstances have a bearing on his lack of employment. Most claimants, and even their representatives, are not very fluent in presenting their cases. Therefore the court must frequently ask a great many questions to elicit the necessary information. When a union representative is present, the chairman may query him concerning the customs of the trade, the reputation of the employer in question, prevailing wages, the existence of trade agreements, and the character and general reliability of the claimant. It is interesting to note that the chairman often relies to a considerable extent on the statements of a union representative and accepts them as authoritative.

The insurance officer may be present at the hearing voluntarily, if he thinks it advisable; he may be requested by the court to appear if it seems likely that he may assist in presenting the essential facts. The insurance officer is also regarded as an authority on local industrial conditions, and his word is frequently taken concerning the prevailing labor conditions and the conditions which exist in the establishment of a particular employer. Because of long service in the area, both the insurance officer and the chairman usually have personal knowledge of the local situation and of the employers in the area.

The insurance officer is also regarded as an expert on the unemployment compensation law. Frequently he points out to the court previous decisions of the Umpire on cases in point and recommends to the court what he thinks should be the decision in the immediate case. He does not, however, take any part in the discussion of the decision, and the court does not consider itself bound by his recommendation. If the insurance officer feels that the decision of the court is contrary to law, he may appeal the case to the Umpire.

The evidence which is given by the insurance officer, the union representative, the claimant, and other witnesses who may be introduced to testify in the case, is recorded briefly on a form by the chairman himself. This record, together with the other facts supplied by the insurance officer,

forms the basis for the Umpire's decision, if the case is appealed to him.

The chairman of the court usually dominates the hearing, influencing the members of the panel and the claimant as well. The members of the panel are free to ask questions of the claimant after the chairman has satisfied himself that he has all the facts in the case. Since the insurance fund is accumulated out of workers', employers', and State contributions, the representatives of workers and employers are no less interested than the insurance officer in seeing that benefits are paid in accordance with the provisions of law. In England there do not exist special interests<sup>1</sup> which the employers' representative is expected to safeguard. Hence, it not infrequently happens that the employers' representative is as alert to the workers' rights as the workers' representative himself. The attitude which prevails throughout the hearing seems to be one of mutual cooperation and a desire to see that justice is done rather than merely to promote the rights of a particular faction. It is no doubt largely because of this spirit of cooperation that the British unemployment insurance system is being administered with so little difficulty.

When all testimony has been taken, the claimant is ushered from the room, and the case is discussed. While all members of the court feel free to interpret the facts as they see them, the chairman usually expounds the law. However, the other members have the right to refer to the published decisions of the Umpire and to satisfy themselves as to what the law is. A unanimous agreement is reached in most cases, but a dissenting member may write a separate opinion.

Whenever it seems necessary, the court may adjourn the case to obtain additional evidence. In actual practice the court frequently does adjourn in order to present to the employer information obtained from the claimant at the hearing, when there is reason to doubt the truth of the claimant's statements. Since many of the chairmen presiding over courts of referees have served for a considerable period of time, they have become personally acquainted with a large number of claimants who have appeared several times before their court. In such cases, the chairman frequently accepts the claimants' un-

<sup>1</sup> In the United States such special interests are created by the existence of merit rating or separate employer-reserve accounts.

supported testimony and makes no attempt to verify their statements. While this may seem generally unadvisable, it does serve to speed up cases by eliminating the necessity for adjournments and further hearings.

### **Notice of Decision**

The claimant is notified of the decision before he leaves the premises, and a formal notice outlining the reason for the decision and the basis thereof is later mailed to the claimant and also, in the case of a union member, to the claimant's association. If the decision of the court has not been unanimous, the claimant has the right to appeal to the Umpire and, even where the decision has been unanimous, the chairman may grant leave for such an appeal. If he feels that it is useless for the claimant to appeal, however, the chairman usually dissuades him from such course. At the present time, few appeals by claimants are being carried to the Umpire. Unemployment insurance has been in operation for many years and the provisions of the law are well defined. Most of the appeals to the Umpire are carried by the insurance officer, who has the right to appeal if he feels that the court of referees has misinterpreted or misapplied the law. Appeals must normally be brought within 6 months.

### **Local Referees**

In many areas the claimant would have to travel a considerable distance to attend a regular hearing of the court of referees. Therefore, local referees are permitted to hold hearings in the claimant's locality to obtain facts upon which the insurance officer or court of referees may later base a decision. Two local referees conduct such hearings, one being drawn from the panel of employers' representatives and one from the panel of insured workers' representatives who live in the same area as the claimant. If the case is referred by the insurance officer, a report is made to him. He may then make an initial determination or may refer the report to the court of referees as he must in cases in which he is not permitted to disallow claims. In cases referred by the court, the local referees report directly to the chairman of the court. After a decision has been made, the claimant is notified of the outcome. If he requests it, a report is also sent to the branch secretary of his local union.

### **Rehearings**

The Unemployment Insurance Act provides that a court may revise its decision when new facts have been presented to it. These new facts must have been in existence at the time of the earlier decision but not known to the court. If a claimant has failed to attend and the case has been heard without his consent and decided against him, he may, by showing good cause for his failure to appear, have the case reopened. A rehearing is not permissible merely because the court or any member thereof later decides that a proper decision was not reached. If the members of the court are not the same at the rehearing as on the previous occasion, the case must be completely reheard. Unless new facts can be introduced, a case decided by the court cannot be reheard; the decision remains operative unless it is overruled by the Umpire. Cases which have been appealed to the Umpire are not subject to rehearing by the court of referees except at the direction of the Umpire. The Umpire may revise his own decision when new facts are brought to his attention, but he is not bound to do so.

### **Appeals to the Umpire**

The handling of appealed cases by the Umpire has become a simple and almost routine matter. The chief insurance officer receives the record of the entire proceedings before the court and prepares the case for the Umpire's consideration. It is his duty to point out any decisions which may bear upon the case, whether they operate for or against the claimant. Usually it is necessary only to point out that the case under consideration is similar in fact and in principle to previously adjudicated cases. Upon this showing, the Umpire renders his decision, from which there is no further appeal. At times cases arise which seem to have special significance in that the decision may have a far-reaching effect. In such instances, experts may be called in to testify as to the economic and social implications of a situation and the probable effect of certain decisions which might be made. The Umpire may take additional evidence as to facts, or he may remand the case to the court of referees with instructions to find further facts upon which he will later make a decision.

The Ministry of Labour issues from time to time a publication called *Selected Decisions of the Umpire*. These decisions, selected by the chief insurance officer, are of general interest to the

courts of referees and are used by them in making their decisions.

### ***Central vs. Local Determination***

The development of benefit-payment procedure in the United States has given rise to considerable discussion as to the relative merits of central and local determination of appealed cases. In considering the value of either method, the circumstances under which the plan is to be put into operation must be considered. In Great Britain, where the insurance system has been in operation for many years, the advantages of local hearings and determination are considerable. Officers serve for long periods of time in their particular areas and gain personal knowledge of the local employment situation, of working conditions in the establishments of the local employers, and, not infrequently, of the personal circumstances of claimants themselves. In these local hearings, the officers have the benefit of a complete digest of the attendant facts and, in addition, are able to call in the claimant himself for interview. The advantage of this method is obvious when one considers that many of the persons filing claims for benefits are unable to present in writing a satisfactory case for themselves. Even when they are personally interviewed, considerable skill on the part of the court is required to elicit the necessary facts.

Since interpretation of the provisions of the Unemployment Insurance Act in Great Britain has for many years been considered well settled, little difficulty arises because of variation in the handling of cases in different parts of the country. Furthermore, the insurance officer's right to appeal decisions to the Umpire whenever he believes that the law has been misapplied or misinterpreted serves to achieve uniformity.

The chief insurance officer also, through the divisional officers, keeps insurance officers informed of decisions of the Umpire and of the generally accepted interpretations of the provisions of the act.

### ***Adjustment of Contested Claims***

Although the British system of unemployment insurance does not include an adjustment unit as such, through its operating procedures it achieves much the same results. Questions concerning the rate of benefits payable, computation of duration

of benefits, and proof of unemployment are for the most part settled by unofficial administrative adjustments and do not often get into the regular appeal channels. Such questions are determinable by the Minister of Labour and are subject to appeal to the civil courts.

The necessity for further adjustment in Great Britain is partially eliminated by the fact that the employer has no appeal when a decision favors the claimant.

It is also a fact that, since unemployment insurance has been in operation in Great Britain for many years, most claimants have become aware of their rights and generally know when it is useless to make an appeal.

### ***Concluding Observations***

Certain fundamental differences between the British system of deciding claims and the system generally followed by State agencies in the United States preclude the drawing of close analogies, and must be taken into account in making any comparisons between the two systems. One important difference is that in many instances the court of referees, in addition to its function as an appeal body, makes initial determinations. As has been pointed out, the insurance officer may not himself disallow cases involving certain statutory qualifications and disqualifications. While he, in effect, makes a judgment in cases of this kind by not allowing benefit, he does not actually render a decision. The court of referees, therefore, has the responsibility of making the initial determination in the case, and it is considered essential that the claimant have an opportunity to be heard if he so wishes. Hence, the claimant is always notified of the time at which his case will be taken up. If, however, the court finds it necessary to obtain first-hand information from the claimant, he is summoned to appear at a hearing.

Another important difference found in the British system arises out of the fact that the employer is not considered to be a party in interest to the case. When he attends a hearing, it is only as a witness; he may never appeal. The parties to a dispute are the claimant and the insurance officer, each of whom has the right to appeal. The interest of the insurance officer is in seeing that benefits are paid in accordance with the law.



# UNEMPLOYMENT COMPENSATION

BUREAU OF RESEARCH AND STATISTICS • DIVISION OF UNEMPLOYMENT COMPENSATION RESEARCH

## REVIEW OF THE MONTH

Aggregate benefit payments were somewhat larger in May than in April, although a majority of the States reported a reduced volume of payments. The increase in amounts was attributable to the expanded payments in New York, Indiana, North Carolina, Alabama, Maine, Mississippi, and Louisiana. In Indiana and Mississippi benefits first became payable in April, and May was the first full month during which benefit checks were issued. Among the States reporting reduced payments, the largest decreases occurred in Pennsylvania, Connecticut, Oregon, Minnesota, Massachusetts, Wisconsin, Rhode Island, and Virginia. Relatively large percentage decreases occurred in Vermont, West Virginia, New Hampshire, and Tennessee. Exhaustion of wage credits continued to be an important factor in the declines in the number of benefit payments.

The number of initial claims filed in May for total and partial benefits decreased slightly from April. Decreases of more than 25 percent occurred in Connecticut, Minnesota, Mississippi, Utah, and West Virginia. The decrease represents largely a decline from the high level of claims filed in April, when the availability of lag-quarter wage credits led to the filing of many claims by workers who had previously failed to qualify for benefits or had exhausted their wage credits and remained unemployed. It is probable, however, that some workers did not immediately become aware of their rights to benefits accruing after April 1. The increase in initial claims filed in Oregon and Pennsylvania during May may be partly explained by delayed filing of claims by such workers. In Indiana, Virginia, New Hampshire, Rhode Island, and North Carolina, the volume of initial claims for partial unemployment increased considerably over last month.

In the 19 States for which continued claims were reported for both April and May, there was a slight decline in the volume of such claims in May. However, while the number of continued claims for total unemployment decreased, continued claims for partial unemployment increased sharply; in those States reporting larger volumes, the increases ranged from 10 to 48 percent.

Contributions deposited by the State agencies in their clearing accounts during May amounted to nearly \$89.4 million, including deposits of more than \$59 million by the benefit-paying States, as indicated in table 1. Benefits charged against State benefit accounts of the 24 States and the District of Columbia amounted to nearly \$38.5 million in May. During the period January through May 1938, the benefit-paying States deposited contributions amounting to about \$189.5 million in their clearing accounts and paid out approximately \$140 million in benefits.

Applicants placed in jobs by the Employment Service numbered 238,979 in May, an increase of more than 12 percent over April. (See table 6.) Half of the increase was due to an expansion of placements in private industry.

### *Legislative Activity*

The Revenue Act of 1938 (Public, No. 554), which became law on May 28, included a provision for the benefit of employers who had failed to pay their State unemployment compensation contributions for 1936 before April 1, 1937, and therefore became liable for the full 1-percent Federal tax, in addition to the State contribution for 1936. Section 810 of the Revenue Act allows credit against the tax for 1936 imposed by section 901 of the Social Security Act for contributions paid to a State fund before the 60th day after the enactment of the Revenue Act; i. e., not later than July 26, 1938. The allowance of this credit is subject to all the limitations set forth in title IX of the Social Security Act except the date; that is, the contributions must be required under a law which was approved by the Social Security Board as of December 31, 1936, and the credit cannot exceed 90 percent of the amount of the Federal tax. Having obtained the credit, the employer is entitled to a refund, based on such credit, of taxes paid under title IX for 1936. This procedure will alleviate the hardship on employers who were required to pay both the State contribution and the Federal tax. It is expected that this provision will be of considerable assistance to States in collecting delinquent 1936 contributions from em-

employers who have been required to pay the full 1-percent Federal tax for 1936 and see no justification for their being required to pay the State contribution also. Such employers may now pay the State contribution and then obtain a rebate based on such contribution in an amount not exceeding 90 percent of the Federal tax.

Under an act (Public, No. 782) which was ap-

proved on June 29, the appropriations authorized under the Wagner-Peyser Act were changed from a fixed ratio of 25 percent for administrative purposes and 75 percent for matching purposes, to a ratio to be determined annually by Congress.

The Railroad Unemployment Insurance Act (Public, No. 722), reviewed in this section last month, was approved on June 25, 1938.

**Table 1.—Unemployment compensation: Contributions deposited in State clearing account, deposits in State benefit account, benefits charged to State benefit account,<sup>1</sup> and net balance in unemployment trust fund,<sup>2</sup> by States, as of May 31, 1938**

State	Contributions deposited in State clearing account <sup>3</sup>		Deposits in State benefit account <sup>4</sup>		Benefits charged to State benefit account <sup>5</sup>		Net balance in unemployment trust fund as of May 31, 1938 <sup>6</sup>
	January-May	May	January-May	May	January-May	May	
Total for States reporting.....	\$350,666,223	\$89,389,300	\$155,110,000	\$37,420,000	\$139,888,632	\$38,484,843	\$838,178,355
Alabama.....	2,799,486	1,036,390	3,500,000	1,000,000	2,993,261	949,901	7,922,566
Alaska.....	160,224	39,360					356,656
Arizona.....	750,351	79,665	1,000,000	225,000	792,533	211,547	1,610,895
Arkansas.....	1,078,672	271,784					2,850,000
California.....	25,073,830	9,838,766	10,400,000	1,800,000	7,322,634	2,168,978	80,825,872
Colorado.....	1,657,566	537,122					6,355,003
Connecticut.....	5,467,887	1,209,344	7,250,000	1,000,000	6,262,709	1,073,636	13,506,058
Delaware.....	1,056,427	186,343					2,119,831
District of Columbia.....	2,681,283	525,680	650,000	200,000	632,221	190,478	7,637,190
Florida.....	2,558,444	707,133					5,428,807
Georgia.....	3,780,301	732,107					7,596,063
Hawaii.....	(7)	(7)					1,603,642
Idaho.....	641,140	82,039					2,520,398
Illinois.....	* 63,328,527	10,397,425					62,926,139
Indiana.....	6,453,413	523,646	800,000	700,000	483,669	481,718	27,850,187
Iowa.....	2,690,005	964,822					9,564,475
Kansas.....	1,858,325	406,973					5,417,149
Kentucky.....	3,767,068	702,850					13,208,768
Louisiana.....	3,675,004	701,865	1,250,000	550,000	1,069,900	400,059	9,392,252
Maine.....	1,246,154	226,641	2,300,000	600,000	2,014,640	601,102	2,666,833
Maryland.....	4,642,767	1,359,888	4,800,000	1,000,000	4,605,784	1,194,378	8,150,941
Massachusetts.....	16,751,906	5,500,517	13,000,000	2,000,000	9,970,832	2,084,838	45,541,865
Michigan.....	15,855,332	3,408,680					58,525,469
Minnesota.....	4,958,980	2,951,147	4,500,000	1,000,000	3,961,378	1,202,376	11,892,807
Mississippi.....	926,071	182,997	400,000	200,000	137,200	121,980	2,667,425
Missouri.....	* 17,886,946	585,712					17,548,558
Montana.....	900,885	138,364					2,419,113
Nebraska.....	1,731,203	602,951					3,482,905
Nevada.....	286,179	61,531					825,832
New Hampshire.....	1,072,678	233,464	1,810,000	370,000	1,337,003	315,827	3,300,683
New Jersey.....	13,038,106	4,941,858					41,927,844
New Mexico.....	453,611	65,041					1,648,356
New York.....	43,311,654	11,693,263	40,000,000	17,000,000	36,631,014	13,905,074	98,017,060
North Carolina.....	3,884,525	801,917	3,700,000	1,250,000	3,626,600	1,199,985	9,336,921
North Dakota.....	378,406	75,946					932,568
Ohio.....	19,228,084	3,613,361					69,713,242
Oklahoma.....	2,715,824	534,904					9,110,661
Oregon.....	2,320,223	479,847	3,550,000	650,000	3,293,324	730,247	4,587,195
Pennsylvania.....	33,395,620	13,667,354	29,500,000	2,500,000	29,302,825	5,927,760	71,070,523
Rhode Island.....	3,276,664	728,877	5,800,000	1,050,000	5,665,554	975,724	5,411,012
South Carolina.....	1,630,985	347,438					5,861,002
South Dakota.....	352,026	80,760					1,359,132
Tennessee.....	2,726,610	1,609,011	3,000,000	500,000	2,778,758	725,972	7,179,320
Texas.....	8,829,864	2,029,838	3,100,000	1,100,000	2,776,491	799,323	24,306,402
Utah.....	811,848	142,481	1,425,000	275,000	1,312,580	279,240	1,924,605
Vermont.....	529,443	90,182					1,308,142
Virginia.....	3,526,056	1,408,252	2,000,000	350,000	1,926,064	499,557	9,674,293
Washington.....	3,714,374	851,333					9,304,213
West Virginia.....	3,576,946	761,552	6,200,000	1,400,000	6,182,302	1,714,345	6,466,010
Wisconsin.....	6,812,541	1,305,826	4,650,000	600,000	4,320,840	* 651,664	32,036,983
Wyoming.....	415,759	164,183					1,300,489

<sup>1</sup> Data reported by State unemployment compensation agencies on Form UC-207, corrected to June 27, 1938.

<sup>2</sup> From U. S. Treasury Department, Office of Commissioner of Accounts and Deposits.

<sup>3</sup> Includes contributions, interest, and penalties received from employers and deposited during the specified period in the clearing account of the State agency. The following States are on a monthly collection basis: District of Columbia, Georgia, Hawaii, Louisiana, Michigan, Mississippi, New Hampshire, New York, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, Texas, Vermont, Washington, West Virginia, and Wisconsin. The remaining States collect contributions quarterly, except for Indiana, Missouri, and New Jersey, where either monthly or quarterly contributions may be made. Quarterly collections are made during January, April, July, and October; deposits in other months represent delinquent collections or delayed deposits.

<sup>4</sup> Funds withdrawn by the States from the unemployment trust fund for benefit payments. Because of the lapse of time required for transfer, this figure may differ from that reported by the Treasury Department for withdrawals from the unemployment trust fund.

<sup>5</sup> Represents benefits actually charged to the State benefit account; because of the time which may elapse between the issuance of a check and the charging of the payment to the State benefit account, this figure may differ from that in table for amount of benefit payments made during the month.

<sup>6</sup> Includes earnings credited quarterly, as shown in detail in the unemployment trust fund table, p. 76.

<sup>7</sup> Report not received.

<sup>8</sup> Includes collections on pay rolls for entire year 1937.

<sup>9</sup> Includes \$69,681 in benefits charged from January through March 1938, not previously reported.

## STATE ACTIVITIES

### *Annual Reports*

With the publication of annual reports by a large number of State unemployment compensation agencies, a more comprehensive picture of the problems of organization which faced the States during 1937 and of the ways in which those problems were met is becoming available.<sup>1</sup> During the past 2 months reports for 1937 have been received from Arizona, Florida, Georgia, Indiana, Louisiana, Maryland, Michigan, Nebraska, New Mexico, South Dakota, Utah, Virginia, Washington, and Wyoming.

*Arizona.*—The Arizona report discusses the difficulties with which the Unemployment Compensation Commission was confronted in the early months. During 1937 the Unemployment Compensation Commission was set up, contributions were collected, the employment service division was greatly expanded, and benefit-payment procedures were developed.

*Florida.*—The report of the unemployment compensation division of the Florida Industrial Commission outlines activities during 1937 and presents statistics of employment and pay rolls for the calendar year for covered employers, by industry and by county and city.

*Georgia.*—The report of the bureau of unemployment compensation of the Georgia Department of Labor covers the period from April 1 through December 31, 1937. The report stresses the value of the coordinated administration of unemployment compensation, employment service, workmen's compensation, factory inspection, and industrial relations, and outlines briefly the work of each of the bureaus and divisions within the Department of Labor.

*Indiana.*—The annual report of the Indiana Unemployment Compensation Division summarizes the development and expansion of its two coordinate sections, the unemployment compensation section and the State employment service section. It also presents statistical data on collections; number of establishments and workers covered, by industry and by area; placements; and operating costs.

*Louisiana.*—The report of the Commissioner of Labor of Louisiana, covering the period August

1936 to April 1938, is devoted almost entirely to the activities of the unemployment compensation and employment service divisions of the State Department of Labor. Tables are presented on receipts and expenditures for unemployment compensation and employment service administration; on unemployment compensation contributions collected, by months, from January 1937 through March 16, 1938; on benefit statistics for January through March 1938; on number of covered employers classified according to industry; and on numbers of applications and placements by the Louisiana State Employment Service in 1937.

*Maryland.*—The Maryland Unemployment Compensation Board, in its report, summarizes briefly its administrative organization and appends statements of contributions received and of budget receipts and expenditures during 1937.

*Michigan.*—The annual report of the Michigan Unemployment Compensation Commission surveys the history of social security legislation in the United States and in Michigan and describes the development of the organization during 1937. While postponing the formulation of definite recommendations for amendments, the commission suggests the desirability of such changes as extension of coverage to include employers of less than eight as well as certain types of employment not now covered, simplification of methods of computing benefits, and modification of benefit rights for some groups.

*Nebraska.*—The report of the unemployment compensation division of the Nebraska Department of Labor also contains a summary of the history of social security legislation in the United States and a discussion of the work of the Committee on Economic Security. The chief task of the agency during 1937 was the collection of contributions and the development of an organization. The use of the merit system for selection of personnel is described in some detail. Tables are presented showing the number of workers reported as employed during each month of 1937 in the major industry groups.

*New Mexico.*—The report of the Unemployment Compensation Commission of New Mexico discusses the development of the unemployment compensation and employment service sections. Figures are presented for July 1937 on numbers of employees of, and wages paid by, covered em-

<sup>1</sup> See April and May issues of the Bulletin for summary of annual reports of Alabama, Arkansas, Delaware, Idaho, Iowa, Maine, Mississippi, Montana, Nevada, North Carolina, Oklahoma, and Rhode Island.



ployers and data on contributions and operating costs. An analysis of the reports to determine liability which were filed prior to July 1, 1937, indicates that 40 percent of the reporting units had no employees, while 9.6 percent had eight or more employees and employed 80 percent of the workers employed by all reporting units.

**South Dakota.**—The South Dakota Unemployment Compensation Commission reports briefly upon operations during 1937; presents statistical data concerning number of employing units reporting, number of covered employees, and contributions paid, by industry groups and by areas, and placements made by the employment service; and discusses at some length recommendations for amendments to the State law. The commission believes that a "pooled fund with merit rating" is preferable to its present "combined partial reserve and merit-rating system" and that the merit-rating system should be so revised that no em-

ployer should ever be entirely freed from making contributions. The commission also recommends consideration of changes in coverage; clarification of the provisions relating to partial benefits and benefits to part-time workers; and some liberalization of the provisions relating to the waiting period, eligibility requirements, and the duration of benefits.

**Utah.**—The report of the Industrial Commission of Utah, covering the operations of the unemployment compensation division for the last 4 months of 1936 and the year 1937, and the Utah State Employment Service from November 1 through December 1, 1937, includes a summary of the provisions of the Utah Unemployment Compensation Law; a description of the organizational structure of the agency and a brief sketch of its activities; and a summary of tax commission activities in the collection of unemployment compensation contributions. Figures are included on

Table 2.—Unemployment compensation: Claims for benefits, by States, April and May, 1938

[Data reported by State agencies,<sup>1</sup> corrected to July 5, 1938]

State	Number of initial claims filed <sup>2</sup>						Number of continued claims filed <sup>2</sup>					
	All claims		Total unemployment <sup>3</sup>		Partial unemployment <sup>3</sup>		All claims		Total unemployment <sup>3</sup>		Partial unemployment <sup>3</sup>	
	April	May	April	May	April	May	April	May	April	May	April	May
Arizona.....	2,881	2,474	2,881	2,474	0	0	25,077	21,914	25,077	21,914	0	0
California.....	46,133	41,457	43,266	39,554	2,867	1,903	406,369	388,666	378,140	385,755	28,229	2,911
Connecticut.....	48,202	30,358	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	205,777	203,002	173,798	155,688	31,979	47,314
District of Columbia.....	2,566	2,310	2,566	2,286	0	24	36,623	33,775	28,896	26,041	7,727	7,734
Indiana.....	27,968	33,246	21,675	19,376	6,293	13,870	4,617	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Louisiana.....	12,829	12,616	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	67,238	76,119	26,960	28,990	40,278	47,129
Maine.....	( <sup>4</sup> )	9,364	5,354	3,735	( <sup>4</sup> )	5,629	104,479	84,222	88,533	61,909	15,946	22,313
Maryland.....	33,001	28,489	27,648	24,283	5,363	4,206	182,458	187,112	140,111	137,098	42,347	50,014
Massachusetts.....	42,679	41,200	42,679	41,200	( <sup>4</sup> )	( <sup>4</sup> )	330,718	310,904	330,718	310,904	( <sup>4</sup> )	( <sup>4</sup> )
Minnesota.....	17,333	10,774	17,303	10,774	130	0	176,029	107,706	175,759	107,706	270	0
Mississippi.....	11,908	7,108	11,908	7,108	( <sup>4</sup> )	( <sup>4</sup> )	38,726	( <sup>4</sup> )	38,726	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
New Hampshire.....	8,140	10,185	5,854	6,939	2,286	3,246	59,201	53,801	47,694	40,114	11,507	13,687
New York.....	225,355	244,462	225,355	244,462	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
North Carolina.....	40,305	34,306	32,100	23,733	8,205	10,573	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Oregon.....	5,466	8,566	( <sup>4</sup> )	8,366	( <sup>4</sup> )	30	82,400	75,037	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Pennsylvania.....	75,671	84,478	75,671	84,478	( <sup>4</sup> )	( <sup>4</sup> )	786,344	769,780	786,344	769,780	( <sup>4</sup> )	( <sup>4</sup> )
Rhode Island.....	12,693	13,776	8,599	8,006	4,094	5,767	211,154	171,375	153,939	108,099	57,215	63,276
Tennessee.....	15,223	23,253	15,223	12,590	0	10,663	171,303	237,757	171,303	170,523	0	67,234
Texas.....	27,835	26,741	26,356	25,309	1,479	1,432	147,031	169,930	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Utah.....	7,111	4,434	6,708	3,953	403	481	36,329	30,972	35,120	29,364	1,209	1,608
Vermont.....	2,342	2,358	1,666	2,031	676	327	17,703	13,266	13,829	9,397	3,874	3,869
Virginia.....	15,623	17,439	12,019	9,787	3,606	7,652	101,228	87,987	86,519	68,978	14,709	19,009
West Virginia.....	22,225	15,759	14,193	9,206	8,032	6,553	278,925	314,412	189,669	215,278	89,256	90,134
Wisconsin.....	( <sup>4</sup> )	( <sup>4</sup> )	17,579	19,677	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	* 101,931	98,886	96,016	( <sup>4</sup> )	* 5,915

<sup>1</sup> Data reported by State agencies on Form UC-214; by July 5, 1938, the report for May had not been received from Alabama.

<sup>2</sup> Number of claims filed in local offices or directly with central offices. An initial claim is a first application for benefits in a period of unemployment; a continued claim is a claim repeated weekly, following the filing of an initial claim, during a period of unemployment. Some States, however, do not immediately disallow a claim if a worker fails to report to the local office for 1 to 4 weeks following his initial claim; a claim filed after such a period is considered a continued claim, although the intervening weeks are not compensable. In a few States only the first claim made by a worker during a benefit year is considered as an initial claim; all other claims during that year are considered continued claims.

<sup>3</sup> Total and partial unemployment are used as defined in the State laws or by the State unemployment compensation agencies. In all States a week of no earnings is a week of total unemployment. Various types of partial unemployment may be distinguished: (1) partial unemployment during a period of unemployment with the usual employer; (2) partial unemployment during a period of compensable total unemployment (odd-job earnings); and (3) partial unemployment during a period of employment in a part-time job. All State agencies will consider unemployment of the first type as giving rise to claims and payments for partial unemployment benefits. Claims and payments for unemployment of the second and third types, however, may be designated as partial in some States and as total in others. Moreover, a worker may file a claim for total unemployment but later report odd-job earnings for the week; in this case his claim would be counted as a claim for total unemployment, but the payment might be counted as a payment for partial unemployment.

<sup>4</sup> Break-down of claims for benefits for total unemployment and for partial unemployment not available.

<sup>5</sup> Data not reported.

<sup>6</sup> Figures on claims for partial unemployment are not available; hence totals for all claims are not ascertainable.

<sup>7</sup> No provision in State law for payment of benefits for partial unemployment.

<sup>8</sup> Does not include claims for partial unemployment benefits during waiting-period weeks.

contributions and interest collected as of June 30, September 30, and December 31, 1937; on administrative expenditures by quarters; on coverage and contributions collected, by industry groups, for the pay-roll year 1937; and on the active file of the Utah State Employment Service as of December 31, 1937.

**Virginia.**—The Virginia Unemployment Compensation Commission states that such recommendations as it may have for amendment of the law will be submitted separately and confines its annual report to a summary of the administration and operation of the act. The organization of the commission and its major tasks during 1937 are briefly described.

**Washington.**—The report of the unemployment compensation division of the Washington State Department of Social Security outlines the functions of the various sections of the division, discusses the public hearings which preceded the issuance of its rules and regulations, and presents statistical summaries of its financial balance sheet

and of the total contributions received during the first 6 months of the year and for each month of 1937 thereafter.

**Wyoming.**—The report of the Wyoming Unemployment Compensation Commission summarizes the activities involved in the selection of personnel, development of training courses, and collection of contributions; and presents statistical tabulations of the operating expenses of the unemployment compensation and the employment service divisions, the placements made by the employment service, and the number of employees and total remuneration reported and contributions paid by selected industry groups for the first 6 months and by months for the remainder of the year through November 1937.

### Legislative Amendments

The Massachusetts Unemployment Compensation Law was revised in several respects by two amendments approved during June. The date by which a report on merit rating must be sub-

Table 3.—Unemployment compensation: Number and amount of benefit payments, by States, April and May 1938

[Data reported by State agencies,<sup>1</sup> corrected to July 5, 1938]

State	Number of benefit payments issued <sup>1</sup>						Amount of benefit payments					
	All payments		Total unemployment <sup>2</sup>		Partial unemployment <sup>3</sup>		All payments		Total unemployment <sup>2</sup>		Partial unemployment <sup>3</sup>	
	April	May	April	May	April	May	April	May	April	May	April	May
Alabama.....	104,713	142,192	80,810	107,215	23,903	34,977	\$722,752	\$949,901	\$605,254	\$785,494	\$117,498	\$164,407
Arizona.....	18,317	18,147	18,317	18,147	0	0	219,694	211,517	219,694	211,517	0	0
California.....	233,655	220,018	205,752	219,854	27,903	164	2,229,809	2,129,934	2,082,198	2,128,912	147,611	1,022
Connecticut.....	148,878	106,352	146,376	( <sup>4</sup> )	2,502	( <sup>4</sup> )	1,513,307	1,073,911	1,497,487	( <sup>4</sup> )	15,820	( <sup>4</sup> )
District of Columbia.....	23,425	21,694	20,993	19,094	2,432	2,600	201,720	190,381	188,253	175,381	13,467	15,000
Indiana.....	207	42,987	107	31,068	100	11,919	1,951	481,718	1,559	411,974	392	69,744
Louisiana.....	50,072	60,218	10,751	14,084	39,321	46,134	330,253	400,102	86,724	110,123	243,529	289,979
Maine.....	54,660	78,305	47,751	56,392	6,909	21,913	446,286	631,280	408,489	520,080	37,797	111,200
Maryland.....	( <sup>4</sup> )	121,086	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	1,194,378	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Massachusetts.....	208,782	194,172	208,782	194,172	( <sup>4</sup> )	( <sup>4</sup> )	2,213,714	2,084,836	2,213,714	2,084,836	( <sup>4</sup> )	( <sup>4</sup> )
Minnesota.....	144,263	119,639	144,263	119,639	0	0	1,493,357	1,210,868	1,493,357	1,210,868	0	0
Mississippi.....	2,231	19,026	2,231	19,026	( <sup>4</sup> )	( <sup>4</sup> )	15,220	121,980	15,220	121,980	( <sup>4</sup> )	( <sup>4</sup> )
New Hampshire.....	43,554	37,421	37,375	30,735	6,179	6,686	367,628	315,553	337,726	282,028	29,902	33,525
New York.....	773,519	1,159,260	773,519	1,159,260	( <sup>4</sup> )	( <sup>4</sup> )	8,822,827	13,891,929	8,822,827	13,891,929	( <sup>4</sup> )	( <sup>4</sup> )
North Carolina.....	131,070	159,305	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	959,812	1,215,388	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Oregon.....	94,256	66,347	80,172	55,009	14,084	11,338	1,061,450	731,211	972,026	658,412	89,424	72,799
Pennsylvania.....	794,091	493,211	794,091	493,211	( <sup>4</sup> )	( <sup>4</sup> )	8,886,653	5,631,572	8,886,653	5,631,572	( <sup>4</sup> )	( <sup>4</sup> )
Rhode Island.....	144,358	124,858	115,680	95,913	28,678	28,945	1,245,300	1,082,694	1,093,323	927,407	151,977	155,287
Tennessee.....	98,056	90,366	98,056	89,322	0	1,044	738,681	662,875	738,681	656,191	0	6,684
Texas.....	93,261	92,034	86,410	85,030	6,851	7,004	812,731	791,039	772,543	752,092	40,188	38,947
Utah.....	26,830	25,454	26,306	24,535	524	919	304,477	279,240	300,230	272,423	4,247	6,817
Vermont.....	13,291	9,300	11,553	7,582	1,738	1,778	113,740	79,127	103,966	69,956	9,774	9,171
Virginia.....	85,738	69,575	73,125	52,714	12,613	16,861	629,731	490,657	584,217	431,961	45,514	67,596
West Virginia.....	175,792	172,669	138,953	128,316	36,839	44,353	1,754,867	1,714,354	1,522,154	1,443,530	232,713	270,824
Wisconsin.....	87,883	65,812	78,795	58,164	9,088	7,648	804,995	627,053	763,872	593,132	41,123	33,921

<sup>1</sup> Data reported by State agencies on Form UC-216.

<sup>2</sup> A benefit payment is ordinarily issued for each week of compensable unemployment; in a few States, however, in order to expedite delayed payments of benefits to workers, checks covering payments for several compensable weeks are issued. Also, supplementary checks are issued in cases requiring adjustments.

<sup>3</sup> Total and partial unemployment are used as defined in the State laws or by the State unemployment compensation agencies. In all States a week of no earnings is a week of total unemployment. Various types of partial unemployment may be distinguished: (1) partial unemployment during a period of employment with the usual employer; (2) partial unemployment during a period of compensable total unemployment (odd-job earnings); and (3) partial unemployment during a period of employment in a part-time job. All State agencies will consider unemployment of the first type as giving rise to claims and payments for partial unemployment benefits. Claims and payments for unemployment of the second and third types, however, may be designated as partial in some States and as total in others. Moreover, a worker may file a claim for total unemployment but later report odd-job earnings for the week; in this case his claim would be counted as a claim for total unemployment, but the payment might be counted as payment for partial unemployment.

<sup>4</sup> Break-down for total unemployment and for partial unemployment not available.

<sup>5</sup> Report for April not received.

<sup>6</sup> No provision in State law for payment of benefits for partial unemployment.

Table 4.—Unemployment compensation: Number of benefit payments for total and partial unemployment, by amounts of benefit checks and by States, May 1938

[Data reported by State agencies,<sup>1</sup> corrected to July 5, 1938.]

State	Amounts of benefit checks																Average benefit payment	
	Total	Less than \$2.00	\$2.00 to \$2.99	\$3.00 to \$3.99	\$4.00 to \$4.99	\$5.00 to \$5.99	\$6.00 to \$6.99	\$7.00 to \$7.99	\$8.00 to \$8.99	\$9.00 to \$9.99	\$10.00 to \$10.99	\$11.00 to \$11.99	\$12.00 to \$12.99	\$13.00 to \$13.99	\$14.00 to \$14.99	\$15.00 to \$15.99		\$16.00 and over
Number of benefit payments for total unemployment <sup>2</sup>																		
Alabama	107,215	4,201	3,117	9,198	9,129	10,678	12,500	16,034	9,799	9,588	5,192	4,289	3,087	1,930	1,970	5,642	2	\$7.33
Arizona	18,147	205	185	226	222	464	575	1,253	610	1,355	2,114	4,752	1,849	1,407	477	7,364		11.66
California	219,554	3,852	4,445	4,009	4,668	4,544	3,829	57,238	19,781	18,369	17,664	15,340	13,218	10,694	8,777	32,778		9.46
District of Columbia	19,094	182	307	445	1,461	1,858	1,926	1,738	1,478	1,314	1,185	879	720	643	639	3,975		13.26
Indiana	31,068	247	315	395	505	1,571	1,391	631	927	1,293	1,528	1,870	2,414	2,374	2,195	17,256		9.19
Iowa	14,064	247	315	395	505	3,487	1,952	1,605	1,413	856	691	428	409	251	194	1,336		7.82
Maine	56,302	95	236	308	800	5,624	2,096	8,463	9,108	8,636	5,150	3,280	2,732	1,710	1,340	4,608		9.22
Massachusetts	194,172	1,941	1,960	2,440	4,910	7,407	10,935	15,965	21,674	20,912	20,083	15,698	12,805	11,877	10,016	45,281	16	10.12
Minnesota	119,639	1,478	1,584	2,149	2,412	2,636	2,459	1,411	933	638	6,430	7,825	9,141	5,430	4,787	28,374	16	10.12
Mississippi	30,735	269	328	514	583	2,746	2,284	3,247	3,923	3,760	3,065	2,323	1,914	1,461	1,092	1,306	6.41	9.18
New Hampshire	55,009	799	538	557	574	622	629	4,311	2,795	2,907	4,256	3,370	6,064	4,588	3,037	19,962		11.97
Oregon	89,322	2,438	4,533	5,059	4,404	20,091	10,668	9,573	8,173	6,347	4,184	2,853	2,384	1,685	1,524	13,664		7.35
Texas	85,030	1,325	1,263	1,343	5,302	16,142	9,153	8,007	6,296	5,385	4,464	3,615	3,379	2,536	2,444	13,664		8.85
Vermont	7,582	104	121	129	152	668	619	699	1,263	1,017	808	472	397	217	251	575		9.23
Virginia	52,714	1,836	1,787	2,079	2,003	9,963	5,709	4,335	4,246	4,060	2,282	1,806	2,204	1,443	1,281	6,320		8.19
Wisconsin	58,164	676	1,670	971	1,135	2,301	2,128	4,358	4,535	4,900	10,624	3,272	4,963	3,232	2,887	10,392		10.20
Number of benefit payments for partial unemployment <sup>3</sup>																		
Alabama	34,977	5,002	5,645	5,841	5,452	3,553	2,836	2,030	1,580	1,093	717	514	259	186	136	94	39	\$4.70
California	18,164	296	271	253	312	14	46	205	183	170	120	83	53	44	37	12	6	6.23
District of Columbia	2,600	1,124	1,178	1,386	1,300	1,189	680	860	1,274	1,034	831	487	330	208	188	136		5.77
Indiana	46,134	3,626	3,555	4,371	8,856	5,634	4,159	3,774	2,912	2,070	1,449	1,584	950	950	2,708	136		8.85
Louisiana	21,913	1,451	3,627	3,875	3,117	2,903	2,201	1,651	1,098	753	582	291	169	121	70	3	1	5.07
Maine	6,686	833	981	944	829	683	561	479	453	317	244	174	97	68	41	48	36	5.01
New Hampshire	11,338	882	938	1,064	1,269	1,323	1,091	1,050	1,011	872	803	481	348	164	42	13		6.40
Oregon	1,044	4	136	137	130	133	102	116	94	56	25	24	42	27	5	13		6.40
Tennessee	7,004	67	1,283	1,389	980	763	549	492	366	293	269	206	166	149	35	135		5.56
Texas	919	99	88	78	116	59	62	47	44	49	36	24	11	36	12	135		7.42
Vermont	1,778	14	320	296	226	254	168	168	97	82	79	22	22	18	12	135		5.16
Virginia	16,861	4,911	2,184	2,144	2,623	1,331	1,033	719	670	668	311	121	92	44	10	10		8.45
Wisconsin	7,648	1,049	1,631	1,700	683	678	435	669	112	142	173	178	40	26	22	81		4.44

<sup>1</sup> Data reported by State agencies on Form UC-216. The following States showed no distribution of payments for total and partial unemployment by amounts of benefit checks: Connecticut, Maryland, New York, North Carolina, Pennsylvania, Rhode Island, and West Virginia. Utah showed no distribution of payments for total unemployment. Arizona and Minnesota made no benefit payments for partial unemployment. Massachusetts, Mississippi, New York, and Pennsylvania have no provision in State law for benefit payments for partial unemployment.

<sup>2</sup> Total and partial unemployment are used as defined in the State laws or by the State unemployment compensation agencies. In all States a week of total unemployment, various types of partial unemployment may be distinguished: (1) partial unemployment during a period of employment with the usual employer; (2) partial unemployment during a period of compensable total unemployment (old-job earnings); and (3) partial unemployment during a period of employment in a part-time job. All State agencies will consider as partial unemployment of the first type a giving rise to claims and payments for partial unemployment benefits. Claims and payments for unemployment of the second and third types, however, may be designated as partial in some States and as total in others. Moreover, a worker may file a claim for total unemployment but later report odd-job earnings for the week; in this case his claim would be counted as a claim for total unemployment, but the payment might be counted as a payment for partial unemployment.

<sup>3</sup> Includes 909 supplementary payments totaling \$6,405 not shown in distribution by amounts of benefit checks.

<sup>4</sup> State law provides for minimum weekly benefit of \$5 for total unemployment. Figures given for amounts less than \$5 represent checks issued for adjustments.

<sup>5</sup> Massachusetts law provides for lump-sum payments in unusual cases, as when a worker has no opportunity of obtaining work in the State but has prospects of employment elsewhere.



**Table 5.—Unemployment compensation: Amounts of benefit payments for total and partial unemployment, by amounts of benefit checks and by States, May 1938**

[Data reported by State agencies,<sup>1</sup> corrected to July 5, 1938]

[illegible]

<sup>1</sup> Data reported by State agencies on Form UC-216. The following States showed no distribution of payments for total and partial unemployment by amounts of benefit checks: Connecticut, Maryland, New York, North Carolina, Pennsylvania, Rhode Island, and West Virginia. Utah showed no distribution of payments for total unemployment. Arizona and Minnesota made no benefit payments for partial unemployment. Massachusetts, Mississippi, New York, and Pennsylvania have no provision in State law for benefit payments for partial unemployment.

<sup>a</sup> Total and partial unemployment are used as defined in the State laws or by the State unemployment compensation agencies. In all States a week of no earnings is a week of total unemployment. Various types of partial unemployment may be distinguished: (1) partial unemployment during a period of employment with the usual employer; (2) partial unemployment during a period of compensable total unemployment (odd-job earnings); and (3) partial unemployment during a period of employment in a part-time job. All State agencies will consider unemployment of the first type as giving rise to claims and payments for partial unemployment benefits. Claims and payments for unemployment of the second and third types, however, may be designated as partial in some States and as total in others. Moreover, a worker may file a claim for total unemployment but later report odd-job earnings for the week; in this case his claim would be counted as a claim for total unemployment, but the payment might be counted as a payment for partial unemployment.

<sup>3</sup> Includes 909 supplementary payments totaling \$6,405 not shown in distribution by amounts of benefit checks.

Massachusetts law provides for lump-sum payments in unusual cases, as when a worker has no opportunity of obtaining work in the State but has prospects of employment elsewhere.

mitted to the legislature was changed from 1941 to 1940. A few technical changes in coverage were made. The basis for computing the duration of benefit payments was altered. The Massachusetts law formerly provided for the payment of "normal" benefits on the basis of earnings in the first 8 of the last 9 completed calendar quarters and of "extended" and "additional" benefits on the basis of earnings in previous quarters. The amendments do not affect the latter types of benefits; normal benefits are to be based on earnings in 7 out of 8 instead of 8 out of 9 quarters, and the total normal benefits payable in a benefit year are limited to \$300.

The eligibility requirements were liberalized to permit a claimant to qualify if he has earned some wages in 2 of the first 4 out of the last 5 quarters and a total of \$160 during the 4 quarters, instead of in 2 of the first 3 out of the last 4 and a total of \$160 in the 3 quarters, as previously. The alternative eligibility requirement of some earnings in each of 4 quarters of the first 8 of the last 9 quarters and total earnings during the 8 quarters of \$240 was not changed. The amount which an unemployed individual may earn for odd jobs or subsidiary work without reduction in his benefits for total unemployment was raised from \$3 to \$5 a week. The waiting period was changed from 3 to 2 consecutive weeks in 52.

Two related changes provide (1) that an individual may be considered unemployed even though performing services on a State, county, or municipal relief or assistance project; and (2) that weeks in which an individual receives subsistence remuneration from a State or Federal unemployment relief agency may be counted toward his waiting period. Several further changes were designed to expedite administration. One deletes the provision that the most recent employer must be notified when a claim is filed by his employee; a second provides for the payment of benefits to such person or persons as the commission finds entitled thereto when a claimant has died and no petition has been filed for the allowance of his will or the administration of his estate; a third allows the commission to estimate the liability of an employer who has refused to make reports.

The former provision that employee contributions were payable only on wages amounting to over \$3 a week was repealed. However, the

legislature, after receiving a message from the Governor suggesting the elimination of employee contributions, in a separate act suspended employee contributions for the year July 1, 1938, to July 1, 1939.

Several amendments to the New Jersey law were enacted during the month, most of them pertaining to coverage. The amendments resulted in the exclusion from coverage of the following groups: employees of fraternal benefit societies, employees of building and loan associations which are members of the Federal Home Loan Bank system, and part-time employees of all building and loan associations; persons employed by member banks of the Federal Reserve System; and persons in the employ of a hospital, or benevolent or philanthropic society. Another amendment fixes the minimum weekly benefit amount at \$5, and further provides that the full-time weekly wage (upon which the weekly benefit amount is based) shall be defined as  $\frac{1}{2}$  of the wages earned in that quarter during the base year in which wages were highest. This method had previously been specified as an alternative to be used when the most recent wage rate during the base year could not be determined.

#### *Personnel Administration in State Unemployment Compensation Agencies*

The number of State unemployment compensation agencies operating under merit systems of personnel administration is steadily increasing. In addition to the 11 agencies which are subject to State civil-service laws, there are 24 agencies which have put into effect regulations designed to establish a personnel program based on the merit principle. Officials of two other agencies are now drafting regulations and expect to inaugurate their merit systems at an early date. The status of the merit program in the States is indicated on the accompanying map.

The competitive examination programs provided in the merit-system regulations have been inaugurated by 22 of the agencies not operating under State civil-service laws. Twelve of these twenty-two agencies have completed their initial group of examinations for all positions in the classified service of the agencies, as have nine of those operating under State civil-service laws.

In the States which have civil-service laws the State civil-service commission holds examinations,

establishes and maintains the eligible lists, and makes certifications to the unemployment compensation agency for its personnel requirements. In the other group, the State unemployment compensation agency has designated an independent advisory committee on personnel composed of public-spirited citizens known for their interest in better government personnel. This committee consults with the agency as to its personnel needs, sponsors the examination program under the active management of a supervisor of examinations appointed by and responsible to the committee, establishes and has custody of the eligible lists, and makes certifications to the agency for filling vacancies or making promotions. This committee and its supervisor of examinations act as a miniature civil-service commission for the State unemployment compensation agency only, but the competition on examinations is State-wide, as in a civil-service program.

Such examination programs must be based on a classification plan which defines each class of position and describes the duties and the minimum qualifications necessary to assure adequate performance of those duties. The nature of the duties and qualifications will be reflected in the

requirements for admission to examination, the nature of the written tests, the rating of education and experience, and the factors given most weight in the oral examination.

The Bureau of Unemployment Compensation has assisted the State unemployment compensation agencies in developing their merit-system regulations and, on the basis of approved regulations, has financed the cost of the examination programs not only because many of the State laws require the holding of examinations, which thus become a necessary administrative cost, but also because of the Board's strong belief that the merit principle is vital to proper administration.

The Bureau has also assisted the State unemployment compensation agencies in 7 civil-service States and 31 non-civil-service States in developing classification plans and compensation schedules designed to compensate the employees fairly for their work and equitably in relation to employees in other government agencies. It is also rendering assistance in the development of training programs, service rating systems, promotional policies, and other devices designed to increase the effectiveness of individual performance and to make possible a "career service."

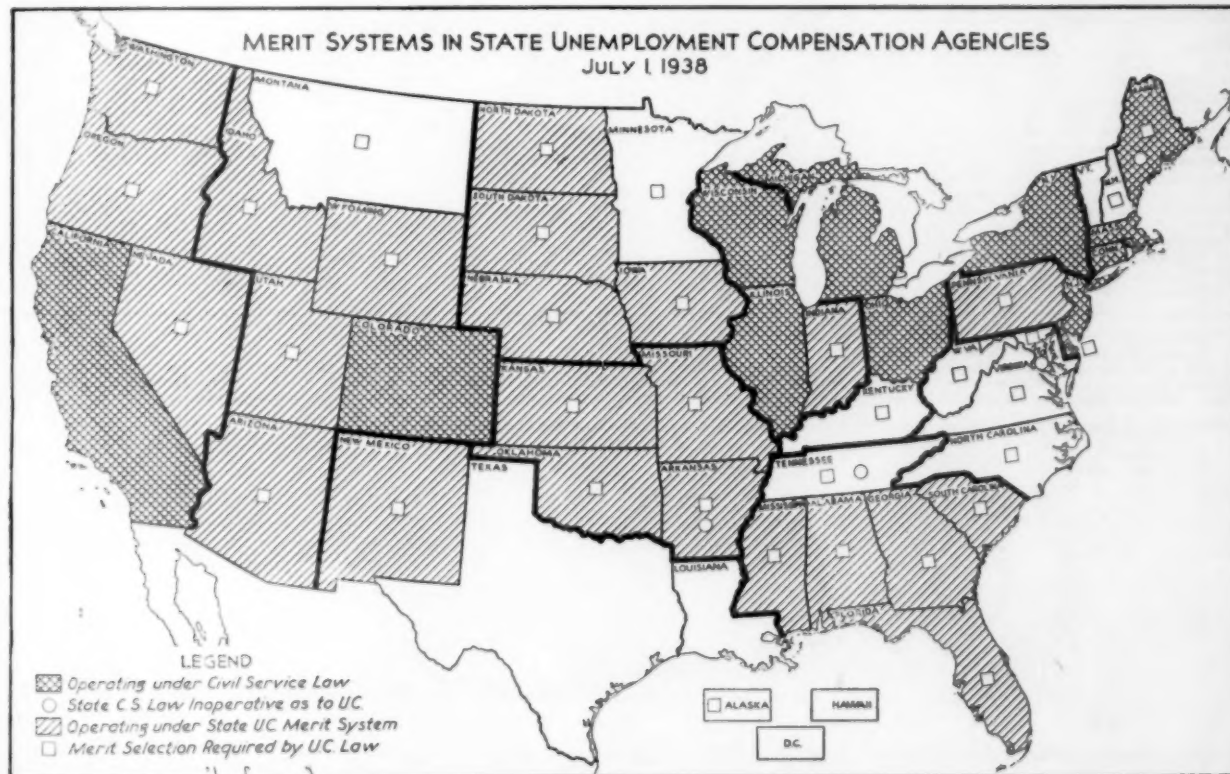




Table 6.—Operations of the United States Employment Service, by States, May 1938

State	Placements					New applications		Active file <sup>1</sup>	
	Total <sup>1</sup>	Private			Public	Number	Percentage change from April <sup>1</sup>	As of May 31, 1938	
		Number	Percentage change from April <sup>1</sup>	Regular (over 1 month)	Temporary (1 month or less)				Number
Total.....	238,979	159,341	+6	64,956	94,385	72,784	677,145	+4	7,522,237
Alabama.....	3,927	2,854	-9	1,124	1,730	1,003	14,445	+19	161,135
Alaska.....	325	107	+37	48	59	164	589	-10	1,778
Arizona.....	1,521	806	0	428	378	688	2,337	+4	26,383
Arkansas.....	4,776	4,227	+78	315	3,912	543	4,731	+6	67,896
California.....	22,124	13,576	-10	6,526	7,050	8,504	39,945	-7	379,516
Colorado.....	3,831	2,594	+30	1,534	1,060	1,229	4,366	+11	63,695
Connecticut.....	2,693	2,017	+1	1,127	890	603	13,025	-21	183,874
Delaware.....	1,205	888	+19	344	544	310	1,181	+22	13,120
District of Columbia.....	2,651	2,372	+12	891	1,481	279	4,155	+8	42,882
Florida.....	1,230	0	.....	0	0	1,013	4,953	+25	82,818
Georgia.....	6,551	2,060	+9	783	1,277	4,482	9,836	+11	132,424
Hawaii.....	853	95	+12	42	53	190	926	-29	4,368
Idaho.....	2,035	1,394	+45	629	765	641	2,152	-3	12,392
Illinois.....	12,324	10,776	-9	3,968	6,808	1,216	20,252	+18	331,052
Indiana.....	4,462	3,927	-5	2,330	1,597	533	30,693	-8	167,124
Iowa.....	6,119	3,291	-11	1,195	2,096	2,645	8,466	+58	81,917
Kansas.....	2,628	898	+26	279	619	1,626	3,476	+3	61,045
Kentucky.....	2,741	1,198	+21	293	905	1,486	8,515	-11	120,542
Louisiana.....	3,653	2,750	+12	1,640	1,110	901	14,480	+16	106,748
Maine.....	1,383	576	-49	431	145	807	4,519	-23	52,001
Maryland.....	2,984	1,847	+29	1,018	829	1,137	10,366	-21	123,996
Massachusetts.....	1,981	1,466	+11	900	566	515	21,578	-3	382,479
Michigan.....	6,172	2,614	+20	1,234	1,380	1,110	39,407	+21	323,732
Minnesota.....	4,648	3,589	+7	1,816	1,773	941	10,033	-5	196,676
Mississippi.....	4,173	1,173	+70	812	361	2,987	10,640	-7	57,268
Missouri.....	3,795	2,678	-9	1,243	1,435	1,114	11,645	+10	194,695
Montana.....	2,097	739	+55	493	246	1,353	1,511	-1	36,105
Nebraska.....	3,111	1,174	+10	560	614	1,924	3,409	+14	53,132
Nevada.....	1,029	541	-9	345	196	486	656	+5	3,995
New Hampshire.....	1,764	1,416	+124	391	1,025	348	3,732	+24	44,816
New Jersey.....	3,351	2,979	+13	1,339	1,640	324	16,580	+12	237,748
New Mexico.....	1,206	821	-4	559	262	383	1,643	-19	29,546
New York.....	15,429	12,620	+7	5,168	7,452	2,003	114,733	+11	629,668
North Carolina.....	7,192	4,644	+17	2,006	2,638	2,543	16,549	+12	160,079
North Dakota.....	2,224	1,276	-2	559	717	944	1,490	-1	30,459
Ohio.....	9,653	6,826	-3	2,639	4,187	2,570	27,603	-8	421,710
Oklahoma.....	6,362	5,165	+38	468	4,697	1,166	4,417	-6	38,557
Oregon.....	3,037	1,973	-35	1,222	751	1,049	7,508	-18	97,102
Pennsylvania.....	11,028	6,622	+5	3,802	2,820	3,647	65,071	+7	1,170,509
Rhode Island.....	617	504	-6	290	214	55	11,738	+273	70,943
South Carolina.....	2,756	559	+18	324	235	2,182	6,451	-3	77,364
South Dakota.....	1,581	569	-17	226	343	994	1,703	+31	41,070
Tennessee.....	3,676	2,178	+15	1,169	1,009	1,498	8,452	+12	149,734
Texas.....	32,442	27,138	+4	5,713	21,425	5,239	31,238	-8	216,545
Utah.....	979	567	+38	261	306	412	2,198	+25	35,504
Vermont.....	1,149	617	+23	306	311	532	1,800	+25	20,434
Virginia.....	6,370	3,782	+51	2,614	1,168	2,487	12,470	-8	97,347
Washington.....	1,681	1,122	+6	521	601	550	5,789	+3	117,293
West Virginia.....	2,568	1,152	+16	661	491	1,402	19,309	-17	210,690
Wisconsin.....	5,566	4,133	+9	2,108	2,025	1,112	13,307	-1	131,611
Wyoming.....	1,326	451	+22	262	189	874	1,074	+19	8,737

<sup>1</sup> Includes 6,800 security wage placements on work-relief projects.<sup>2</sup> Adjusted for number of working days in months.<sup>3</sup> The active file represents cases regarded by the employment office as actively seeking work. The files are cleared periodically by removal of cards of applicants who have not recently renewed their registrations. There is some variation from office to office and State to State in the frequency with which this is done. There is also some variation from State to State in the extent to which applicants for work relief are included in the active file.

Source: U. S. Department of Labor, U. S. Employment Service, Division of Standards and Research.

# PUBLIC ASSISTANCE

## Statistics for the United States for May 1938

BUREAU OF RESEARCH AND STATISTICS • DIVISION OF PUBLIC ASSISTANCE RESEARCH

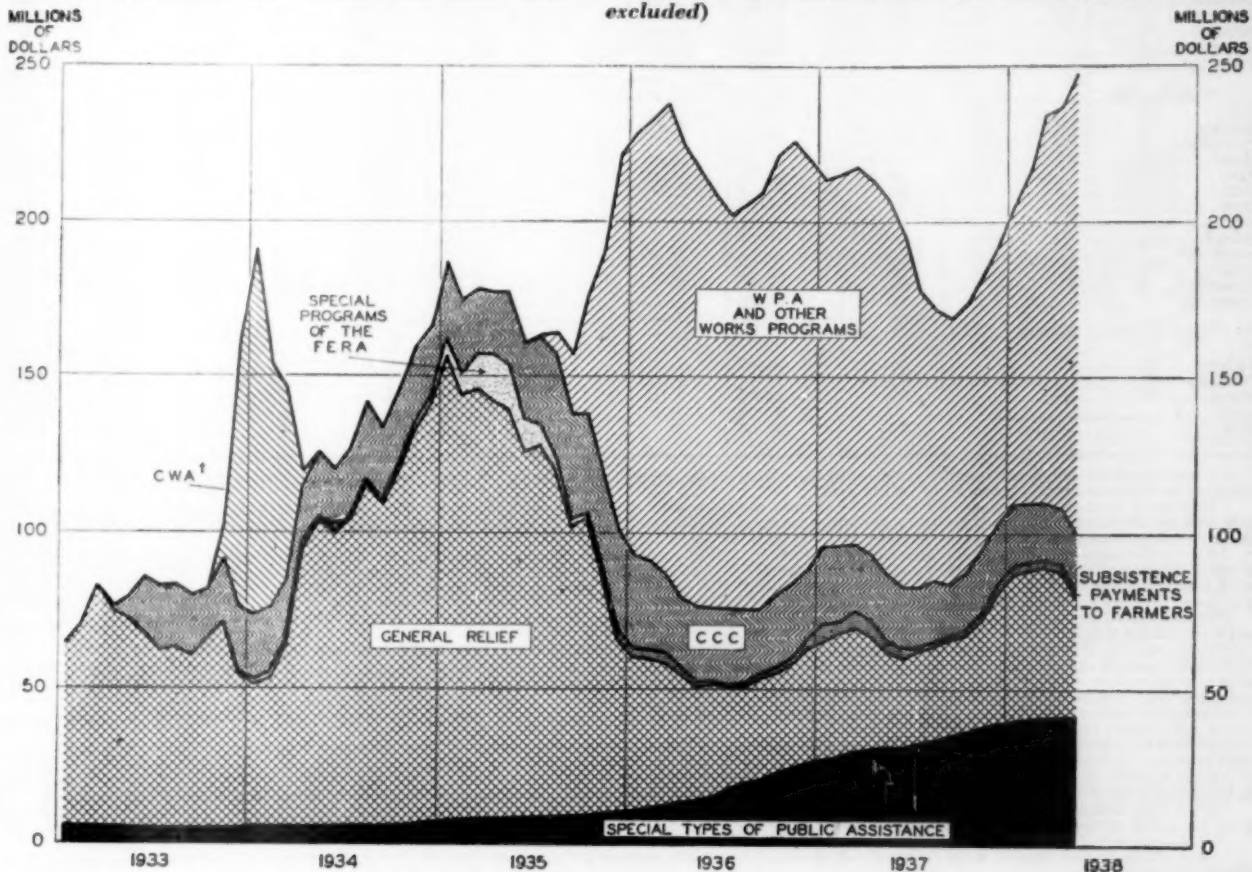
The total amount of relief extended to cases for May continued the rise that began in October, although the percentage increase was not so great as it had been for any month since the fall. For May 1938 the amount of relief extended to cases was \$247.8 million, or \$4.8 million more than for the previous month. (See table 1.) This was the first year in four that there had been a rise in the total amount of public relief from April to May.

Somewhat more than one-half—\$131.5 million—of the total amount of obligations for May 1938 was incurred for earnings to persons in need of relief on projects of the Works Progress Administration. This represents an increase of 4.7 percent over the previous month. The next

largest amount of relief extended to cases—\$41.9 million, or about 17 percent of the total—was that extended to recipients of the three special types of public assistance. The increase in these obligations amounted to \$254,000, or less than 1 percent. General relief extended to cases during May 1938 was \$37.7 million, or 15.2 percent of the total expended, and was 9.2 percent less than for the preceding month.

There was a negligible decline—only 0.5 percent—in the amount of obligations incurred by the Civilian Conservation Corps for enrolled persons. This figure, which in May was \$18.2 million, or about 7 percent of the total for public relief, is an estimate made by the Civilian Conservation Corps by multiplying the average num-

Chart 1.—All public relief in the continental United States, 1933-38 (transient care and administrative expense excluded)



† Represents earnings of persons previously receiving relief, estimated arbitrarily by the Works Progress Administration as 50 percent of the total obligations incurred for earnings from Federal funds under the Civil Works Program.

**Table 1.—All public relief in the continental United States, excluding transient care and administrative expense,<sup>1</sup> by months, January 1935–May 1938**

[In thousands of dollars]

Year and month	All public relief extended to cases	Obligations incurred for payments to recipients of old-age assistance, aid to dependent children, and aid to the blind <sup>1</sup>	Obligations incurred for general relief extended to cases <sup>2</sup>	Obligations incurred for relief under special programs of the Federal Emergency Relief Administration <sup>4</sup>	Earnings of persons certified as in need of relief employed under the Works Program <sup>5</sup>				Civilian Conservation Corps <sup>6</sup>	Emergency subsistence payments to farmers <sup>7</sup>
					Works Progress Administration	Other Federal agencies <sup>8</sup>	National Youth Administration			
							Student aid	Work projects <sup>9</sup>		
Total for 1935.....	\$2,130,037	\$115,053	\$1,350,224	\$75,405	\$221,641	\$25,958	\$6,364	.....	\$332,851	\$2,541
January.....	187,004	8,510	148,437	5,021	.....	.....	.....	.....	25,036	.....
February.....	175,317	8,693	135,664	6,655	.....	.....	.....	.....	24,305	.....
March.....	178,483	8,830	137,330	10,886	.....	.....	.....	.....	21,437	.....
April.....	177,758	9,083	133,302	14,874	.....	.....	.....	.....	20,499	.....
May.....	177,583	9,246	130,600	14,062	.....	.....	.....	.....	23,675	.....
June.....	162,097	9,413	117,065	10,954	.....	126	.....	.....	24,539	.....
July.....	163,235	9,722	118,868	6,101	2	454	.....	.....	28,088	.....
August.....	163,784	9,837	110,364	3,371	4,883	1,642	.....	.....	33,687	.....
September.....	157,403	9,990	92,843	1,586	15,345	3,641	221	.....	33,777	.....
October.....	175,524	10,254	95,007	872	30,142	5,490	1,653	.....	32,106	.....
November.....	190,511	10,582	75,855	724	60,627	6,947	2,095	.....	33,582	99
December.....	221,338	10,893	54,889	299	110,643	7,657	2,395	.....	32,120	2,442
Total for 1936.....	2,618,584	216,223	436,793	127	1,448,859	152,759	25,900	\$25,166	292,391	20,366
January.....	227,082	11,329	47,915	38	124,277	8,371	2,416	156	29,792	2,788
February.....	231,950	12,356	46,854	15	129,421	8,825	2,703	901	28,188	2,597
March.....	237,094	12,993	44,555	13	135,885	10,763	2,986	1,890	24,858	3,151
April.....	224,276	14,115	40,069	11	126,669	13,070	3,190	2,563	22,575	2,014
May.....	215,553	14,842	34,977	13	118,237	15,755	3,554	2,520	24,348	1,307
June.....	206,419	15,803	33,184	13	113,192	15,217	1,842	2,705	23,518	945
July.....	200,487	18,319	30,790	10	109,956	14,114	(10)	2,239	24,496	563
August.....	204,237	20,087	29,629	7	113,253	14,470	7	2,260	23,629	895
September.....	206,993	21,335	30,006	3	116,670	14,219	342	2,366	20,903	1,149
October.....	220,150	23,426	30,675	2	122,365	14,290	2,516	2,406	23,133	1,367
November.....	224,585	24,971	31,866	1	124,350	12,320	3,122	2,533	24,006	1,416
December.....	219,756	26,645	36,273	1	114,584	11,375	3,132	2,627	22,945	11 2,174
Total for 1937.....	2,333,276	396,970	408,003	.....	1,100,267	94,026	24,288	28,183	245,643	35,896
January.....	213,716	27,714	37,810	.....	103,922	8,652	2,967	2,682	24,485	11 5,484
February.....	215,303	28,791	39,171	.....	105,188	8,183	3,227	2,830	24,158	11 3,755
March.....	218,361	30,156	39,679	.....	106,804	8,804	3,316	2,812	21,238	11 5,582
April.....	213,879	31,055	35,954	.....	104,969	9,286	3,347	2,780	21,228	5,260
May.....	207,787	31,620	30,896	.....	104,088	10,141	3,642	2,690	21,039	3,671
June.....	195,704	31,388	28,466	.....	98,810	9,945	1,992	2,511	19,356	3,236
July.....	177,889	32,973	29,179	.....	85,825	7,505	.....	2,132	19,334	941
August.....	171,393	33,993	29,951	.....	77,861	6,915	(10)	2,003	19,326	1,346
September.....	168,585	35,484	30,464	.....	76,386	6,709	164	1,869	16,312	1,197
October.....	173,741	36,565	30,891	.....	76,650	6,411	1,599	1,850	18,379	1,396
November.....	182,582	37,928	34,150	.....	77,945	5,984	1,977	1,943	20,876	1,779
December.....	194,329	39,303	41,392	.....	81,816	5,492	2,056	2,079	19,912	2,279
Total for 1938 (5 months).....	1,180,198	205,541	221,491	.....	557,562	36,828	10,592	11,744	94,570	11,870
January.....	206,529	40,147	46,811	.....	88,313	4,917	1,996	2,195	19,940	2,210
February.....	217,764	40,617	47,577	.....	98,050	5,014	2,166	2,323	19,543	2,474
March.....	235,237	41,318	47,875	.....	114,212	6,116	2,208	2,367	18,558	2,583
April.....	242,919	41,603	41,515	.....	125,537	8,981	2,247	2,389	18,311	2,336
May.....	247,750	41,857	37,713	.....	131,450	11,800	1,975	2,470	18,218	2,267

<sup>1</sup> These figures include all public relief extended to cases with the exception of the transient program. For the years 1936 and 1937 complete figures for the care of transient and homeless persons are not available.

<sup>2</sup> Figures for January 1935 through January 1936 represent payments from State and local funds only. Figures for subsequent months represent payments from Federal, State, and local funds in States administering public assistance under the Social Security Act and payments from State and local funds only for States not participating under the Social Security Act. Figures are partly estimated and subject to revision.

<sup>3</sup> Figures for January 1935 through March 1937 from W. P. A., Division of Research, Statistics, and Records. These figures exclude administrative expense, nonrelief expense, and the expense of special programs. Figures for 1935 include only obligations incurred for cases receiving emergency relief under the general relief program of the F. E. R. A. Beginning with 1936, general relief extended to cases includes that extended by local authorities from public funds under poor laws. Figures are partly estimated and subject to revision.

<sup>4</sup> Data from W. P. A., Division of Research, Statistics, and Records, include relief extended under the F. E. R. A. for emergency education, student aid, and rural rehabilitation.

<sup>5</sup> Data from the W. P. A., Division of Research, Statistics, and Records. Figures are partly estimated and subject to revision.

<sup>6</sup> Other agencies include bureaus of regular Government departments and independent establishments engaged in activities which could be expanded to employ relief workers, and emergency agencies such as the Public Works Administration and the Rural Electrification Administration. Figures for July 1937 and subsequent months are partly estimated and subject to revision.

<sup>7</sup> Includes earnings of persons certified as in need of relief employed on N. Y. A. work projects and in the Young Women's Educational Camps. Prior to March 1937, figures partly estimated.

<sup>8</sup> Figures estimated by the Director of the C. C. C. by multiplying the average monthly number of persons enrolled by an average of \$70 per month. This average amount is based upon the amount of obligations incurred for cash allowances to persons enrolled and for clothing, shelter, subsistence, and medical care of persons enrolled, and upon the estimated amount of obligations incurred for certain other items. From Apr. 8, 1935, to June 30, 1936, this program was included under the Works Program and was known as Emergency Conservation Work. Since July 1936 it has been financed by separate appropriations.

<sup>9</sup> Data from Rural Rehabilitation Division of the Farm Security Administration (formerly the Resettlement Administration) represent the amount of grant payments certified to individuals.

<sup>10</sup> Total amount of obligations incurred less than \$1,000.

<sup>11</sup> For administrative reasons, some payments which would have been certified in December 1936 and February 1937 were not certified until January and March 1937, respectively.



Table 2.—Recipients of public relief in the continental United States, excluding transient care, by months, January 1935–May 1938<sup>1</sup>

[In thousands]

Year and month	Estimated unduplicated number receiving public relief		Recipients of special types of public assistance <sup>2</sup>				Cases receiving general relief <sup>4</sup>	Persons certified as in need of relief employed under the Works Program <sup>5</sup>				Persons enrolled in the Civilian Conservation Corps <sup>6</sup>	Cases for which sub-sistence payments were certified by the Farm Security Administration <sup>7</sup>
	Households <sup>3</sup>	Persons in these households	Old-age assistance	Aid to dependent children		Aid to the blind		Works Progress Administration	Other Federal agencies <sup>8</sup>	National Youth Administration			
				Families	Children					Student aid	Work projects <sup>9</sup>		
1935													
January			240	108	270	33	5,276					358	
February			256	107	267	32	5,240					347	
March			263	108	270	32	5,172					306	
April			274	110	275	33	5,013					293	
May			281	110	275	32	4,842					338	
June			293	108	270	33	4,534		2			351	
July			302	110	275	34	4,369	70	12			401	
August			314	110	275	33	4,218	238	73			481	
September			326	110	275	33	3,908	433	101	35		483	
October			347	112	280	35	3,722	739	129	184		459	
November			359	113	282	34	3,462	2,352	145	234		450	6
December			378	117	287	35	2,608	2,627	156	283		459	130
1936													
January			432	124	311	35	2,216	2,796	185	306	16	426	151
February			473	132	334	39	2,135	2,899	200	351	75	403	139
March			505	133	334	41	2,010	2,734	227	380	187	355	172
April			572	144	355	41	1,826	2,443	267	405	174	322	108
May			607	149	365	41	1,657	2,220	298	398	170	348	86
June			651	157	386	42	1,553	2,136	278	215	176	336	62
July	4,800	16,000	788	158	393	41	1,448	2,120	255	(10)	157	350	41
August	5,000	16,500	844	134	336	41	1,430	2,254	253	2	154	338	60
September	5,100	16,900	862	141	352	42	1,387	2,350	276	63	159	298	77
October	5,300	17,500	973	154	385	42	1,394	2,445	245	341	158	330	88
November	5,300	17,600	1,035	158	395	43	1,403	2,348	236	309	165	343	93
December	5,300	17,400	1,106	161	402	43	1,508	2,071	211	411	170	328	135
1937													
January	5,500	18,000	1,150	167	417	45	1,659	2,034	171	417	177	350	335
February	5,500	17,700	1,200	172	427	45	1,723	2,033	163	427	181	345	229
March	5,500	18,000	1,257	178	442	46	1,681	2,018	164	440	184	303	323
April	5,400	17,500	1,296	184	459	47	1,559	1,989	176	442	184	303	300
May	5,200	16,800	1,328	191	473	47	1,395	1,926	183	424	177	301	218
June	5,000	15,800	1,290	194	482	48	1,288	1,754	175	249	166	277	191
July	4,700	14,300	1,391	196	483	50	1,262	1,522	124		143	276	54
August	4,500	13,600	1,434	204	503	51	1,270	1,435	121	(10)	127	276	78
September	4,400	13,200	1,467	210	519	53	1,268	1,407	119	36	122	233	67
October	4,500	13,400	1,504	216	535	54	1,279	1,431	113	243	118	263	71
November	4,700	14,000	1,543	221	546	54	1,378	1,474	109	282	122	298	83
December	5,100	15,300	1,579	229	566	55	1,640	1,583	102	298	130	284	109
1938													
January	5,600	17,000	1,607	235	581	57	1,924	1,852	90	309	140	285	109
February	5,900	18,300	1,631	242	597	58	2,028	2,026	100	317	146	280	120
March	6,200	19,500	1,654	248	612	60	2,030	2,340	126	327	149	266	126
April	6,300	20,000	1,669	253	624	60	1,848	2,526	180	333	153	262	117
May	6,400	20,200	1,684	257	633	62	1,729	2,619	215	290	154	261	112

<sup>1</sup> Recipients of special programs under the Federal Emergency Relief Administration, by months, not included in this table for lack of space, are: (a) student aid—January through June 1935, 102,297; 103,254; 104,740; 104,445; 100,013; 52,190; (b) emergency education—January through December 1935, 39,539; 42,424; 44,248; 43,674; 40,962; 32,297; 28,227; 31,618; 25,236; 19,468; 16,673; 7,930; (c) rural rehabilitation—January through June 1935, 72,222; 87,350; 172,886; 209,924; 205,450; 203,612.

<sup>2</sup> Total number of different households receiving public relief not estimated for months prior to July 1936 because of lack of information regarding duplication.

<sup>3</sup> Figures include not only recipients of public assistance under the Social Security Act but also recipients of similar types of assistance in States not administering aid under the Social Security Act. Figures for 1935 and for States not administering Federal funds under the Social Security Act are partly estimated and subject to revision.

<sup>4</sup> Data for January 1935 through March 1937 from W. P. A., Division of Research, Statistics, and Records. Figures for 1935 include only cases receiving emergency relief under the general relief program of the Federal Emergency Relief Administration. Beginning with 1936, general relief extended to cases includes that extended by local authorities from public funds under poor laws. Figures are partly estimated and subject to revision.

<sup>5</sup> Data from the W. P. A., Division of Research, Statistics, and Records are for the week ending nearest the end of the month for all programs except the N. Y. A., for which the data represent the number of different persons employed during the month. Figures are partly estimated and subject to revision.

<sup>6</sup> Other agencies include bureaus of regular Government departments and independent establishments engaged in activities which could be expanded to employ relief workers and emergency agencies such as the Public Works Administration and the Rural Electrification Administration. Figures for July 1937 and subsequent months are partly estimated and subject to revision.

<sup>7</sup> Includes persons certified as in need of relief employed on N. Y. A. work projects and in Young Women's Educational Camps.

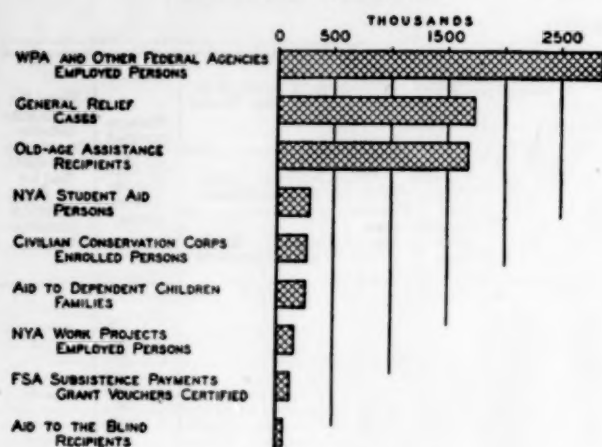
<sup>8</sup> Figures are averages computed by the C. C. C. from reports on the number of persons enrolled on the 10th, 20th, and last day of each month except for the Indian Division; for this Division averages are computed from daily reports.

<sup>9</sup> Data from the Rural Rehabilitation Division of the F. S. A. (formerly the Resettlement Administration) represent the number of emergency grant vouchers certified. Ordinarily only 1 grant voucher per case is certified per month.

<sup>10</sup> Less than 1,000 persons employed this month.

<sup>11</sup> For administrative reasons, some payments which would have been certified in December 1936 and February 1937 were not certified until January and March 1937, respectively.

**Chart II.—Recipients of public relief in the continental United States, May 1938**



ber of persons enrolled for the month by an average of \$70. There was a large increase—31.4 percent—in the earnings of persons in Federal agencies, under the Works Program, other than the Works Progress Administration and the National Youth Administration, though this type of relief formed less than 5 percent of the total amount incurred. As would be expected, student aid, which was less than 1 percent of the total, declined 12.1 percent, although work projects under the National Youth Administration, which formed almost 1 percent of the total, increased 3.4 percent.

The amount of emergency subsistence grants to farmers—\$2.3 million, or about 1 percent of the total for relief—was 3 percent less than for the preceding month.

The total amount of relief extended to cases was 19.2 percent higher in May 1938 than in the same month of last year. The greatest increase for any of the types of relief shown in table 1 is that for the three special types of public assistance considered as a whole—32.4 percent. The rise in the earnings of persons in need employed on projects of the Works Progress Administration was 26.3 percent and on projects of other Federal agencies, 16.4 percent. The amount for general relief extended to cases was also 22.1 percent higher. For the other four types of relief shown in table 1, there were declines.

The largest percentage increase in the number of recipients of public relief in May compared with April was that for persons certified as in need of relief and employed on some project of a Federal agency, under the Works Program, other than the Works Progress Administration or the National Youth Administration. The next largest increase was 3.7 percent, the rise in the number of persons employed on some project of the Works Progress Administration. The increases in the numbers of recipients of old-age assistance and of aid to dependent children were slight; the number of blind aided increased 3.3 percent. Decreases occurred in the number of recipients of student aid under the National Youth Administration, of general relief, of emergency grants to farmers, and in the number enrolled in the CCC.

All but one of the types of public relief for which an increase in the number of recipients was noted from the preceding month showed an increase from May of the previous year. Although

**Table 3.—Total number of different households receiving special types of public assistance and general relief and percentage of duplication in the case count for May 1938**

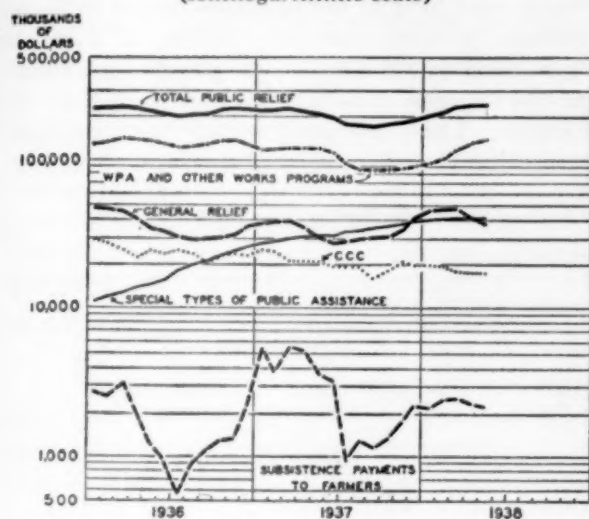
State	Total number of different households receiving special types of public assistance and general relief	Number of cases receiving special types of public assistance and general relief					Percentage of duplication in reported number of cases
		Total	Public assistance in States with plans approved by the Social Security Board			General relief	
			Old-age assistance	Aid to dependent children (families)	Aid to the blind		
Total.....	267, 677	288, 518	160, 317	38, 676	5, 482	84, 043	7. 2
1. Arizona.....	9, 870	10, 711	<sup>1</sup> 5, 946	1, 703	279	2, 783	7. 8
2. Arkansas.....	28, 020	28, 029	18, 674	4, 557	698	4, 130	. 0
3. Idaho.....	12, 770	13, 649	8, 502	2, 474	275	<sup>2</sup> 2, 398	6. 4
4. Kansas.....	38, 650	40, 992	19, 339	4, 031	730	16, 892	5. 7
5. Maryland.....	28, 390	32, 471	16, 829	7, 284	593	7, 765	12. 6
6. South Carolina.....	26, 884	27, 282	21, 078	3, 449	775	<sup>3</sup> 1, 980	1. 4
7. Utah.....	16, 957	19, 142	12, 833	2, 784	224	3, 301	11. 4
8. Washington.....	54, 544	62, 033	35, 690	6, 093	1, 019	19, 231	12. 1
9. West Virginia.....	46, 650	48, 980	18, 538	5, 704	753	23, 985	4. 8
10. Wyoming.....	4, 933	5, 229	2, 888	597	166	1, 578	5. 7

<sup>1</sup> Does not include 165 recipients whose applications for old-age assistance are pending approval under the State plan.

<sup>2</sup> Does not include a relatively small number of cases receiving general relief from local funds.

<sup>3</sup> Does not include 115 cases receiving general relief administered by local public agencies.

Chart III.—All public relief in the United States, 1936-38  
(semilogarithmic scale)



the number of cases of general relief was less in May than in April 1938, there was an increase of 23.9 percent in the number of cases when figures for May 1938 were compared with May 1937.

The three types of relief—student aid under the National Youth Administration, the Civilian Conservation Corps, and emergency grants to farmers under the Farm Security Administration—which showed a decline from April to May 1938, also decreased from May 1937 to May 1938. In addition, the number of persons employed on work projects under the National Youth Administration, though it showed a slight increase over the previous month, had declined when data for May 1937 were compared with May 1938.

For May 1938, 10 States reported an unduplicated count of the number of households receiving two or more types of assistance, i. e., general relief and one or more of the special types of public assistance. As may be seen from table 3, the total number of cases that received one or more types of assistance in those States was 288,518. This number of cases expressed in terms of households represents 267,677 different households. In other words, there was 7.2 percent duplication in the reported number of cases. The range in duplication was from none in Arkansas to 12.6 percent in Maryland. From the facts for these 10 States it is estimated that the total number of different households in the continental United States receiving general relief or one or more of the special types of public assistance was 3.5 million.

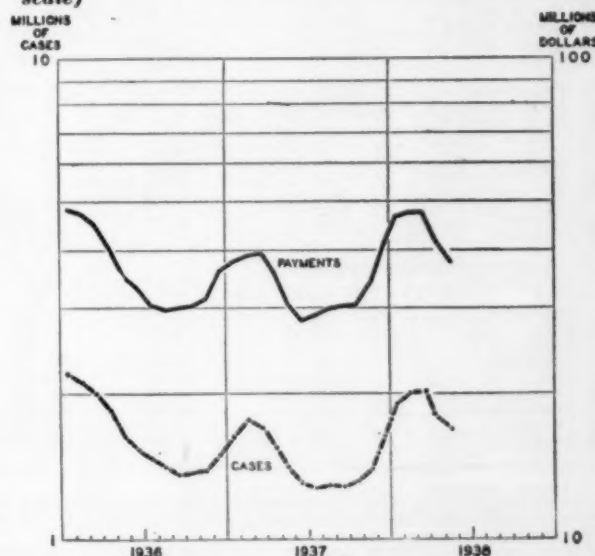
To arrive at an estimate of the unduplicated

number of recipients for all the programs of public relief, the Social Security Board has had the cooperation of other Federal agencies responsible for some of the figures. The estimated unduplicated number of households receiving one or more types of public relief in the continental United States in May 1938 was 6.4 million and the number of persons in these households, 20.2 million.

## GENERAL RELIEF

The estimated amount of obligations incurred for general relief extended to cases in the continental United States during May 1938 amounted to \$37.7 million given to 1.7 million cases. These figures represent decreases over the preceding month of 9.2 percent in the estimated amount of obligations incurred and 6.4 percent in the estimated number of cases. For the 39 States and the District of Columbia which reported actual data on this subject, the percentage decreases were similar to the above, 8.8 percent and 6.5 percent, respectively. These decreases, both in number and in amount, were very probably the result of increased employment under the Works Progress Administration and also the receipt of unemployment benefits, not of increased industrial employment. According to a release of the Office of the Secretary of Labor of June 23, 1938, "Industrial employment declined in May, due largely to further curtailment of forces in factories, mines, and railroads, and seasonal reductions in retail and wholesale trade."

Chart IV.—General relief in the continental United States, January 1936-May 1938 (semilogarithmic scale)





In all but nine of the States reporting actual data on general relief for May there were decreases from April 1938 either in the amount of obligations incurred or in the number of cases or both. Increases of as much as 10 percent in the amount of obligations occurred in four of these nine States—Florida, North Carolina, South Carolina, and West

Virginia. Fifteen jurisdictions likewise showed increases over May of the previous year in both obligations incurred and the number of cases to which relief was extended. In Indiana and Michigan the increases in both items were more than 100 percent. These increases reflect the decreased production in the automobile industry.

Table 4.—General relief in the continental United States, by States, May 1938

[Data reported by State agencies, corrected to June 25, 1938]

State	General relief during May 1938						
	Number of cases receiving relief	Amount of obligations incurred for relief extended to cases	Average amount of relief per case	Percentage change			
				From April 1938 in—		From May 1937 in—	
				Number of cases	Amount of obligations	Number of cases	Amount of obligations
Total for the continental United States	1,729,000	\$37,713,000					
Total for 40 States reporting actual data	1,454,980	33,594,013	\$23.09	-6.5	-8.8	+25.1	+22.9
1. Alabama	2,243	21,890	9.76	+4.0	+5.9	+23.2	+44.3
2. Arizona	2,783	39,596	14.23	-1.0	+1.5	(1)	(1)
3. Arkansas	4,130	25,064	6.07	+9	+1.7	-45.8	-45.0
4. California	110,320	3,123,715	28.32	-10.1	-11.1	+29.9	+41.1
5. Connecticut	24,141	570,804	23.64	+2.4	-2.3	+49.9	+64.5
6. Delaware	1,550	27,240	17.57	-13.5	-23.1	(2)	(1)
7. District of Columbia	2,363	61,302	25.94	-4.1	-4.6	-41.0	-32.2
8. Florida	8,049	54,209	6.73	+2.8	+12.7	+2.2	+23.4
9. Georgia	7,364	43,915	5.96	-1.7	-2.9	-50.9	-43.6
10. Illinois	182,149	3,532,537	19.39	-6.8	-14.5	+22.5	+4.7
11. Indiana	60,160	744,555	12.38	-10.3	-17.3	+107.5	+133.8
12. Iowa	28,738	435,882	15.17	-15.6	-21.9	-7.9	-14.3
13. Kansas	16,892	202,550	11.99	-4	-8.9	-22.8	-27.3
14. Louisiana	7,217	96,983	13.44	+1	+3.9	-27.7	-31.9
15. Maine	12,636	256,777	20.32	-12.0	-18.5	(1)	(1)
16. Maryland	7,765	167,409	21.56	-12.4	-12.2	+11.6	+14.2
17. Massachusetts	72,600	1,942,741	26.76	-7.0	-8.3	+38.7	+40.4
18. Michigan	123,561	2,549,292	20.63	-11.2	-16.1	+143.3	+160.1
19. Minnesota	37,299	858,532	23.02	-11.8	-14.6	+8.4	-1.5
20. Mississippi	974	3,439	3.53	-21.7	-15.9	(2)	(2)
21. Missouri	42,603	393,175	9.21	-6.2	-13.0	-8.0	-11.8
22. Montana	5,871	86,942	14.81	-21.2	-21.1	(1)	(1)
23. Nebraska	6,904	90,010	13.04	-12.9	-13.8	(1)	(1)
24. Nevada	681	9,336	13.71	+1.3	-1.6	-29.2	-34.7
25. New Hampshire	8,775	225,467	25.69	-6.7	-10.6	+26.0	+37.8
26. New Mexico	1,932	12,060	6.24	+1.3	+4.7	-21.2	-21.9
27. New York	313,790	10,281,899	32.77	-5.1	-7.1	+22.8	+14.0
28. North Carolina	6,854	39,328	5.74	+2.4	+12.6	-42.9	-29.6
29. North Dakota	6,299	93,674	14.87	-19.8	-21.6	-11.3	-21.7
30. Oregon	11,154	173,826	15.58	-14.2	-17.0	+21.7	+8.5
31. Pennsylvania	218,467	5,878,541	26.91	+6	+2.8	+33.7	+30.8
32. South Carolina	2,192	23,385	10.67	+18.6	+10.2	(1)	(1)
33. South Dakota	4,683	59,270	12.66	-12.5	-11.1	-10.0	-7.7
34. Utah	3,301	66,446	20.13	-11.6	-7.6	-36.6	-35.3
35. Vermont	3,089	65,224	21.11	-10.3	-10.8	+8	+3.0
36. Virginia	16,087	110,267	6.85	-2.1	-3.3	(1)	(1)
37. Washington	19,231	228,071	11.86	-23.0	-37.4	-30.5	-48.7
38. West Virginia	23,985	299,092	9.97	+10.2	+12.6	(1)	(1)
39. Wisconsin	44,480	733,000	16.48	-9.5	-11.1	+24.2	(1)
40. Wyoming	1,578	26,568	16.84	-18.4	-12.7	+25.0	+22.2
Total for 9 States showing estimated figures	273,700	4,119,000					
1. Colorado	14,400	168,000					
2. Idaho	2,800	45,000					
3. Kentucky	5,600	41,000					
4. New Jersey	77,200	1,691,000					
5. Ohio	108,400	1,598,000					
6. Oklahoma	37,400	204,000					
7. Rhode Island	11,000	241,000					
8. Tennessee	3,900	25,000					
9. Texas	13,200	106,000					

<sup>1</sup> Partly estimated.

<sup>2</sup> Percentage change computed for States for which comparable data were available for both months.

<sup>3</sup> Comparable data for May 1937 not available.

<sup>4</sup> Preliminary figures, subject to revision.

<sup>5</sup> Figures estimated by the Social Security Board for all States except Ohio and Tennessee, for which estimates were made by the State agencies.

# SPECIAL TYPES OF PUBLIC ASSISTANCE

## States With Plans Approved by the Social Security Board

The total obligations incurred for payments to recipients of the three special types of public assistance for May 1938 was \$40.9 million. Of this total, \$32.5 million was incurred for payments to nearly 1.7 million recipients of old-age assistance, \$7.5 million to 240,500 families in behalf of 595,000 children, and \$885,000 to 38,000 blind recipients.

The rise that had been evident from the beginning of the program with the exception of 1 month continued through May 1938, though at a lessened rate. The increase in the amount incurred for the special types of assistance for May 1938 compared with the preceding month was approximately

Chart V.—Public assistance under the Social Security Act, by months, February 1936–May 1938



\$254,000 or 0.6 percent. The amount for May 1938 compared with that for the same month of the

Table 5.—Number of recipients and amount of obligations incurred for payments to recipients of public assistance in States with plans approved by the Social Security Board, by months, February 1936–May 1938

[Data reported by State agencies, corrected to June 15, 1938]

Year and month	Public assistance in States with plans approved by the Social Security Board <sup>1</sup>							
	Recipients				Obligations incurred for payments to recipients <sup>2</sup>			
	Old-age assistance	Aid to dependent children <sup>3</sup>		Aid to the blind	Total	Old-age assistance	Aid to dependent children <sup>3</sup>	Aid to the blind
		Families	Children					
Total for 1936 (11 months).....					\$163,465,310	\$135,935,664	\$21,560,316	\$5,969,330
February.....	247,421	26,670	68,915	12,054	4,644,630	3,752,931	604,962	286,737
March.....	294,080	27,447	70,301	13,099	5,292,406	4,335,607	641,186	315,613
April.....	471,257	56,752	141,152	16,376	8,807,144	7,089,347	1,332,745	385,052
May.....	563,404	61,301	151,685	16,641	10,782,944	8,979,428	1,404,376	399,140
June.....	603,835	69,465	174,750	17,571	11,710,005	9,653,465	1,633,108	423,432
July.....	785,807	89,174	222,610	26,500	15,783,915	13,032,617	2,104,708	646,590
August.....	841,389	83,999	215,024	26,901	18,071,053	15,075,404	2,332,124	663,525
September.....	860,055	91,738	233,795	27,478	19,355,524	16,054,389	2,617,830	683,305
October.....	971,194	105,113	266,620	27,982	21,434,071	17,954,267	2,774,959	704,845
November.....	1,032,683	108,966	276,798	28,457	22,970,129	19,292,073	2,955,249	722,807
December.....	1,103,865	111,715	284,193	28,920	24,613,489	20,716,136	3,159,069	738,284
Total for 1937.....					382,873,773	310,551,777	61,329,083	10,992,913
January.....	1,148,103	117,562	299,360	29,418	25,678,607	21,596,629	3,331,572	750,406
February.....	1,197,954	122,256	310,088	30,118	26,756,050	22,487,356	3,501,564	767,130
March.....	1,255,577	128,492	324,663	30,993	28,108,626	23,575,559	3,745,327	787,740
April.....	1,294,471	134,707	340,683	31,594	29,004,245	24,314,121	3,894,932	795,192
May.....	1,325,867	165,301	411,892	33,734	30,655,532	24,706,723	5,102,226	846,583
June.....	1,290,720	171,415	427,446	35,042	30,527,867	24,413,376	5,239,960	874,531
July.....	1,392,537	175,043	431,674	37,252	32,171,382	25,849,722	5,399,277	922,383
August.....	1,435,522	182,994	452,856	38,635	33,204,997	26,630,255	5,626,647	948,095
September.....	1,468,805	193,857	480,894	40,149	34,839,801	27,865,124	5,940,604	1,034,073
October.....	1,505,622	199,575	495,980	41,222	35,922,532	28,662,858	6,202,371	1,057,303
November.....	1,544,639	204,689	508,869	42,586	37,317,270	29,681,212	6,546,514	1,089,544
December.....	1,581,317	211,957	527,055	43,767	38,686,864	30,768,842	6,796,089	1,119,933
Total for 1938 (5 months).....					200,731,845	159,649,939	36,784,480	4,297,426
January.....	1,609,710	218,510	542,293	33,682	39,195,201	31,379,789	7,003,959	811,453
February.....	1,633,324	225,288	558,568	35,283	39,654,661	31,592,858	7,213,806	847,637
March.....	1,656,021	231,661	573,921	36,502	40,353,073	31,961,778	7,516,719	874,576
April.....	1,671,160	236,823	586,362	37,314	40,637,288	32,238,505	7,530,623	878,160
May.....	1,686,209	240,515	594,953	38,188	40,891,622	32,477,009	7,529,313	885,300

<sup>1</sup> Includes the 3 special types of public assistance in all States and Territories and the District of Columbia with plans approved by the Social Security Board. Figures include relatively small numbers of cases eligible under State laws for whom no Federal funds may be expended and amounts of payments to individuals in excess of amount which can be matched from Federal funds. The first Federal funds were made available to the States for February 1936. No figures are included in any month for any State not administering Federal funds.

<sup>2</sup> Amount of obligations incurred for payments to recipients from Federal, State, and local funds, administrative expense and expense for hospitalization and burials excluded. Prior to July 1937, obligations incurred for assistance in kind and for payments to persons other than recipients for services to recipients are excluded.

<sup>3</sup> Figures include estimates for Hawaii for June 1937 through April 1938.

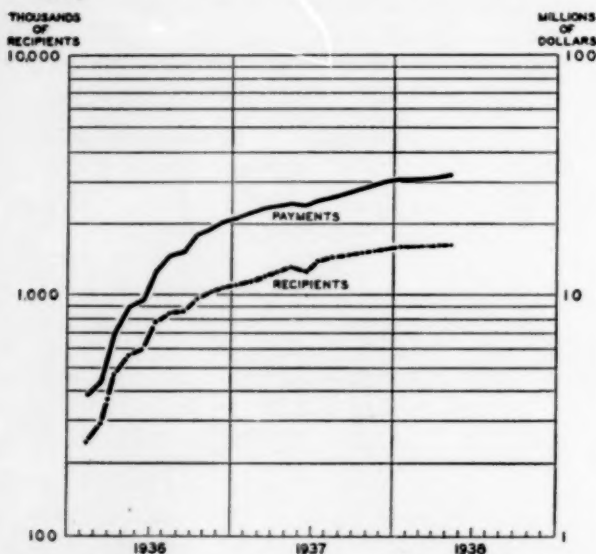
previous year showed an increase of 33.4 percent. The program for aid to dependent children showed the greatest increase over the year's period and the program for aid to the blind the slightest.

### Old-Age Assistance

Almost 1.7 million aged persons in States with plans approved by the Social Security Board received \$32.5 million as old-age assistance in May 1938—an average of \$19.26 per recipient. The range of averages was from \$4.74 in Mississippi to \$32.30 in California. In 14 States the average amount per recipient was between \$15 and \$20; in 11 States, \$20 to \$25; and in 10 States, \$10 to \$15.

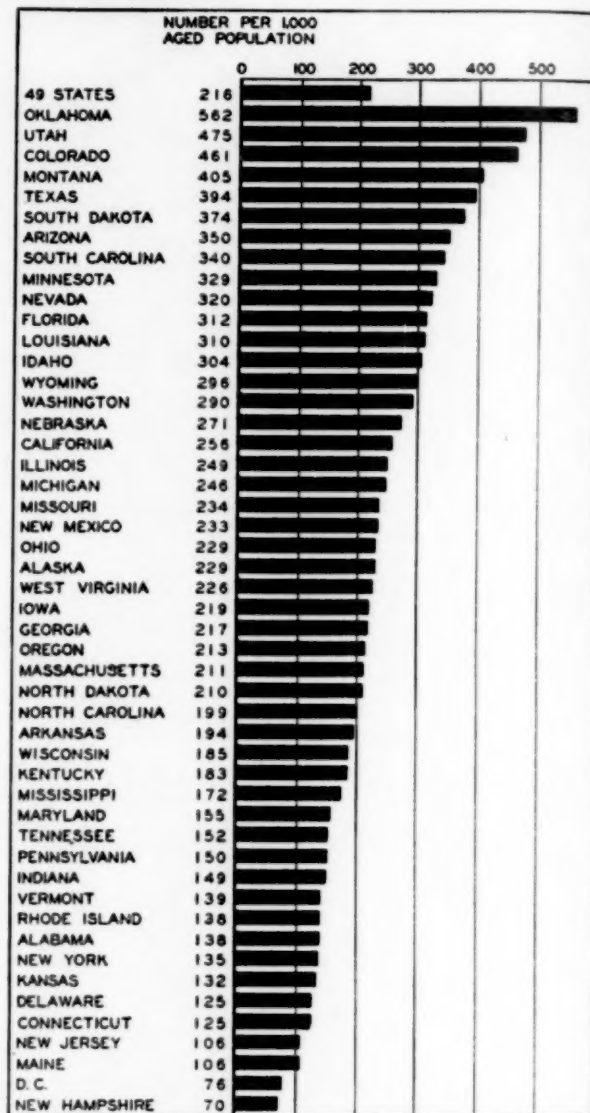
The increase over the preceding month in the number receiving old-age assistance was very

**Chart VI.—Old-age assistance under the Social Security Act, February 1936–May 1938 (semilogarithmic scale)**



slight—0.9 percent—and the rise in obligations even less. In 10 of the 46 States, the District of Columbia, and Alaska, for which percentage changes for the month are shown, there were small decreases in the number of recipients. The largest percentage increase was 22.7 for the State of Maine. This increase in Maine was the result of the revival of the program after a period of inactivity during the latter half of 1937. All but one of the States that showed declines in the number of recipients, as well as six other States, showed decreases in the amount of obligations. The largest percentage decrease in obligations was 10.2 percent in Washington.

**Chart VII.—Recipients of old-age assistance per 1,000 population 65 years of age and over in States with plans approved by the Social Security Board, May 1938 (see table 6)**



A comparison of the data for May 1938 for 40 States and the District of Columbia with data for May 1937, showed an increase of 17.2 percent in the number of recipients and of 24.3 percent in the amount of obligations. Only four States showed a decrease in the number of recipients and in three of these States, in addition to two others, a decrease in obligations incurred. The decline in Texas in both items was brought about by the State's reinvestigation of the case load, which resulted in eliminating some ineligible cases, and by the acceptance of fewer new cases. The large increase in Michigan followed a liberalization of



Table 6.—Old-age assistance in States with plans approved by the Social Security Board, by States, May 1938

[Data reported by State agencies, corrected to June 15, 1938]

Old-age assistance for May 1938								
State	Number of recipients	Amount of obligations incurred for payments to recipients for the month <sup>1</sup>	Average per recipient	Percentage change				Number of recipients per 1,000 estimated population 65 and over <sup>2</sup>
				From April 1938 in—		From May 1937 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	1,686,209	\$32,477,009	\$19.26	+0.9	+0.7	+17.2	+24.3	216
1. Alabama.....	14,933	151,932	10.17	—8	—4.3	+39.1	+30.1	138
2. Alaska.....	917	25,097	27.37	+6.1	+5.7	( <sup>3</sup> )	( <sup>3</sup> )	229
3. Arizona.....	7 6,111	7 156,832	25.66	+2.5	+2.8	( <sup>3</sup> )	( <sup>3</sup> )	7 350
4. Arkansas.....	18,674	170,390	9.12	—6	—8	+27.2	+28.2	104
5. California.....	116,040	3,748,022	32.30	+4.6	+3.9	+53.2	+57.5	256
6. Colorado.....	36,482	975,797	26.75	+8	+9	+26.6	+22.7	461
7. Connecticut.....	14,553	385,225	26.47	+1.0	+4.2	+8.9	+9.8	125
8. Delaware.....	2,625	28,398	10.82	—1.4	—1.4	—12.4	—11.5	125
9. District of Columbia.....	3,119	78,393	25.13	+8	—1	+34.2	+36.0	76
10. Florida.....	28,888	428,384	14.83	+2.0	—1	+174.0	+255.1	312
11. Georgia.....	29,771	274,627	9.22	+3.0	+1.4	( <sup>3</sup> )	( <sup>3</sup> )	217
12. Hawaii.....	10 1,720	10 21,421	10 12.45	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )
13. Idaho.....	8,502	183,226	21.55	+8	+6	+10.1	+2.1	304
14. Illinois.....	123,394	2,174,790	17.62	+1.0	+1.8	+4.3	+11.7	249
15. Indiana.....	42,773	694,480	16.24	+6	+7	+10.6	+16.4	149
16. Iowa.....	47,523	941,229	19.81	+8	+9	+33.7	+79.6	219
17. Kansas.....	19,339	358,179	18.52	+4.3	+3.9	( <sup>3</sup> )	( <sup>3</sup> )	132
18. Kentucky.....	33,214	310,700	9.35	—6	—7	+5.1	—1.3	183
19. Louisiana.....	26,036	256,908	9.87	+8	+1.1	+28.0	+12.0	310
20. Maine.....	8,982	184,327	20.52	+22.7	+22.6	+141.8	+148.0	106
21. Maryland.....	16,829	294,442	17.50	+6	+1	+23.8	+25.6	155
22. Massachusetts.....	69,078	1,918,763	27.78	+9	—1	+19.6	+24.2	211
23. Michigan.....	70,383	1,292,608	18.37	+1	—1.6	+100.9	+119.7	246
24. Minnesota.....	63,553	1,297,221	19.94	+4	+8	+3.4	+6.8	329
25. Mississippi.....	15,282	72,412	4.74	+7	+2.6	—11.9	+1.6	172
26. Missouri.....	72,394	1,163,037	16.07	+1	+3.6	+36.4	+91.9	234
27. Montana.....	12,146	247,391	20.37	+6	+8	+24.5	+22.0	405
28. Nebraska.....	26,262	397,569	15.14	+1.3	—2.0	—1.9	—18.3	271
29. Nevada.....	1,922	52,071	27.09	+2.9	+2.5	( <sup>3</sup> )	( <sup>3</sup> )	320
30. New Hampshire.....	3,714	85,056	22.90	+4	+1.1	+9.5	+13.0	70
31. New Jersey.....	26,277	486,623	18.52	+4	+4	+10.2	+22.2	106
32. New Mexico.....	3,784	48,283	12.76	—1	+1.2	+16.1	+37.8	233
33. New York.....	105,770	2,504,976	23.68	+9	—3	+12.0	+15.9	135
34. North Carolina.....	29,030	275,083	9.48	+3.8	+3.8	( <sup>3</sup> )	( <sup>3</sup> )	199
35. North Dakota.....	7,566	129,252	17.08	( <sup>11</sup> )	( <sup>11</sup> )	+9.8	+15.2	210
36. Ohio.....	109,700	2,523,944	23.01	+9	+9	+6.8	+8.6	229
37. Oklahoma.....	66,292	1,002,127	15.12	—1.4	—1.3	+6.5	+8.7	562
38. Oregon.....	17,506	371,321	21.21	+3.5	+3.3	+38.5	+37.7	213
39. Pennsylvania.....	102,561	1,984,936	21.44	—1.4	—1.7	+5.6	+3.7	113
40. Rhode Island.....	6,212	116,215	18.71	+1.3	+2.0	+44.4	+52.2	138
41. South Carolina.....	21,078	224,982	10.67	+4.9	+4.6	( <sup>3</sup> )	( <sup>3</sup> )	340
42. South Dakota.....	15,713	308,851	19.66	+1.1	+2.8	+80.9	+281.9	374
43. Tennessee.....	22,986	304,338	13.24	+2.4	+2.3	( <sup>3</sup> )	( <sup>3</sup> )	152
44. Texas.....	111,198	1,527,939	13.74	+1	+1	—13.0	—13.5	394
45. Utah.....	12,833	325,587	25.37	+1.3	+1.4	+99.4	+122.8	475
46. Vermont.....	5,281	74,307	14.07	—1.3	—2.2	+35.9	+59.3	139
47. Washington.....	35,677	799,217	22.40	—5.5	—10.2	+13.3	+22.6	290
48. West Virginia.....	18,538	259,119	13.96	—3	—2	+8.3	—1.5	226
49. Wisconsin.....	40,190	809,154	20.13	+1.2	+1.4	+11.8	+15.7	185
50. Wyoming.....	2,888	61,828	21.41	+8	+7	+4.3	+6.7	296

<sup>1</sup> Amount of obligations incurred for payments to recipients from Federal, State, and local funds, administrative expense excluded. These figures include direct assistance to recipients amounting to \$32,390,933 and obligations incurred for assistance in kind and for payments to persons other than those certified for old-age assistance for rendering services to recipients amounting to \$86,076 in 5 States. Expense for hospitalization and burials is excluded.

<sup>2</sup> Estimated with the advice of the U. S. Bureau of the Census as of Jan. 1, 1938.

<sup>3</sup> Comparison for 47 States, the District of Columbia, and Alaska; excludes Hawaii.

<sup>4</sup> Comparison for 40 States and the District of Columbia reporting payments under approved plans for both months. The comparison of the amount of obligations incurred excludes the amount of obligations incurred for May 1938 for assistance in kind and for payments to persons other than those certified for old-age assistance for rendering services to recipients, because these items were not included in the reports for May 1937. States not making payments for old-age assistance under plans approved by the Social Security Board for May 1937 are excluded as follows: Arizona, Georgia, Kansas, Nevada, North Carolina, South Carolina, Tennessee, and Alaska. Hawaii is excluded because figures for May 1938 are preliminary.

<sup>5</sup> For 47 States, the District of Columbia, and Alaska. Adjusted for grants covering 2 or more eligible individuals. Adjustments have been made for the following States: Alabama, Florida, Kentucky, Louisiana, Maryland, Michigan, Mississippi, New Mexico, Oregon, South Carolina, West Virginia, and Wyoming; excludes Hawaii.

<sup>6</sup> Not administering old-age assistance under an approved plan for this month.

<sup>7</sup> Includes \$4,501 incurred from State and local funds for payments to 165 recipients under 65 years of age whose applications for old-age assistance under the State plan had not been approved. Rate per 1,000 excludes these recipients.

<sup>8</sup> Includes \$74,264 incurred for payments to 2,839 recipients who were between the ages of 60 and 65 years.

<sup>9</sup> Rate based on number of recipients 65 years and over, although minimum age under State plan is 60 years.

<sup>10</sup> Preliminary figures, subject to revision.

<sup>11</sup> Not computed because figures for May 1938 are preliminary and subject to revision.

<sup>12</sup> Minimum age under State plan 70 years, but rate based on population 65 years of age and over.

<sup>13</sup> Less than 0.1 percent.

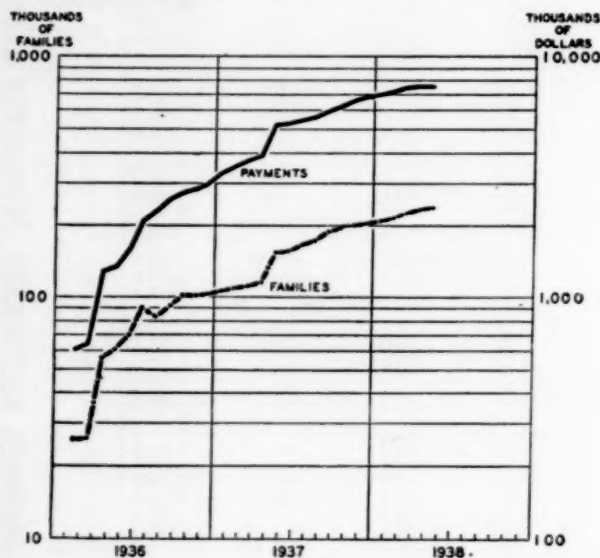
the law in several ways, chiefly the reduction in the minimum age from 70 to 65 years.

Slightly more than 1 in 5 of the estimated population 65 years of age and older in 47 States, the District of Columbia, and Alaska received old-age assistance in May 1938. The range was from 70 per 1,000 estimated population in New Hampshire, to 562 per 1,000 in Oklahoma.

### Aid to Dependent Children

The total amount of obligations incurred for payments to recipients of aid to dependent children for May 1938 was \$7.5 million. There were approximately 240,500 families who received this type of aid in behalf of 595,000 children. The average amount per family was \$31.30. In 10

Chart VIII.—Aid to dependent children under the Social Security Act, February 1936–May 1938 (semi-logarithmic scale)

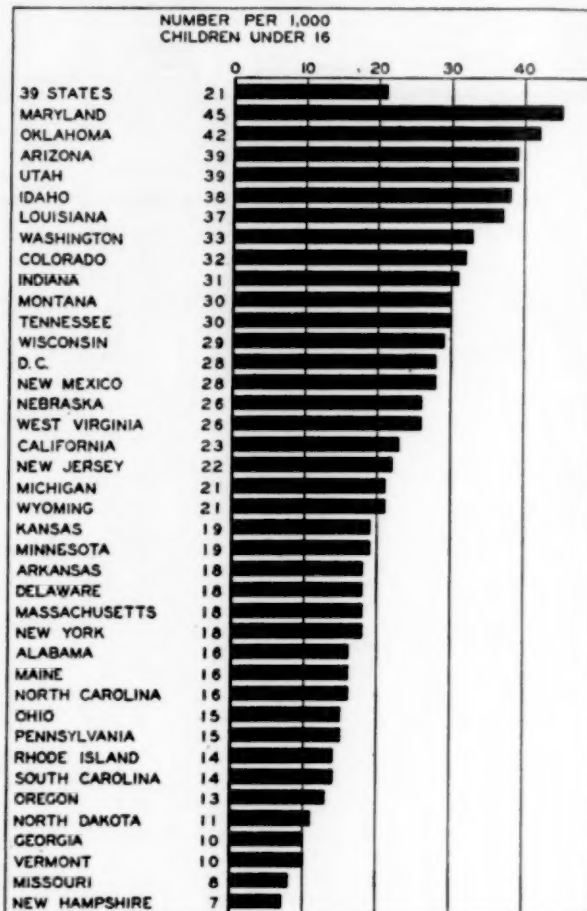


States and Hawaii the average amount per family ranged from \$30 to \$35, and in another 11, from \$35 upward; in 7 States from \$25 to \$30, and in 11 States, less than \$25. The lowest average amount of payments to families was \$10.52 in Arkansas and the highest, \$62.74 in Massachusetts.

There were only very slight increases in the 38 States and the District of Columbia from April to May 1938, in the number of families and of children benefiting—1.6 percent and 1.5 percent, respectively. The increase in the amount of obligations was almost negligible—0.1 percent.

Seven States showed declines in the numbers of recipients, both families and children, which were

Chart IX.—Number of children receiving aid to dependent children per 1,000 population under 16 years of age in States with plans approved by the Social Security Board, May 1938 (see table 7)



very slight with the exception of Washington, where the decrease was 6.0 percent in number of families and 4.9 percent in number of children. All but one of these seven States showed a decrease in the amount of obligations. The decreases in the amount of obligations were slight with the exception of Oklahoma and Washington. The large decline in obligations as compared with recipients in Oklahoma was doubtless the result of inadequate funds. In May it was possible to meet only one-half of the budgetary needs of these families. The largest percentage increase in number of children and the amount of obligations was for Missouri, where development of the program was only beginning.

When data for May 1938 were compared with data for May 1937, there were considerable increases in the number of recipients and in the

amount of obligations in the 29 States and the District of Columbia for which comparable data were available. The number of children increased 18.0 percent, the number of families, 21.3 percent, and the total obligations, 27.6 percent.

The increases of approximately 100 percent in the numbers of families and the numbers of

children in Montana and West Virginia and of 134.0 and 93.2 percent, respectively, in the amount of obligations are accounted for by the fact that in May 1937 the programs had been in operation only a short time. In only three States—Arkansas, Washington, and Wyoming—were there decreases in the numbers of families, numbers of

**Table 7.—Aid to dependent children in States with plans approved by the Social Security Board, by States, May 1938**

[Data reported by State agencies, corrected to June 15, 1938]

Aid to dependent children for May 1938											
State	Number of recipients		Amount of obligations incurred for payments to recipients for the month <sup>1</sup>	Average per family	Percentage change						Number of recipients per 1,000 estimated population under 16 <sup>2</sup>
					From April 1938 in—			From May 1937 in—			
	Families	Children			Number of recipients	Amount of obligations	Families	Children	Amount of obligations		
Total.....	240,515	594,953	\$7,529,313	\$31.30	+1.6	+1.5	+0.1	+21.3	+18.0	+27.6	+21
1. Alabama.....	5,337	15,889	67,558	12.66	-4	-4	-2.3	+10.2	+11.4	+25.9	16
2. Arizona.....	1,703	5,036	55,214	32.42	+3.1	+3.5	+3.1	+52.7	+51.2	+62.8	39
3. Arkansas.....	4,557	12,355	47,952	10.52	-1.3	-8	-1.1	-10.3	-10.4	-8.5	18
4. California.....	12,322	30,479	455,675	35.98	+2.2	+2.3	+2.6	+29.3	+34.8	+41.7	+23
5. Colorado.....	3,663	9,399	111,418	30.92	+2.4	+2.3	+2.8	+10.6	+9.9	+12.5	32
6. Delaware.....	525	1,222	17,146	32.66	+4	+3	-3	+30.3	+23.8	+42.8	18
7. District of Columbia.....	1,208	3,630	58,771	48.65	-2.1	-1.7	-3.5	-1.6	+3.5	+7.6	+28
8. Georgia.....	3,917	10,716	84,613	21.60	+2.6	+1.6	+1.6	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	10
9. Hawaii.....	919	3,243	30,336	33.01	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
10. Idaho.....	2,474	5,836	64,372	26.02	+1.4	+1.5	+1.3	+11.8	+9.8	+11.8	38
11. Indiana.....	13,605	29,052	374,325	27.51	+2.4	+1.9	+1.6	+83.4	+67.6	+75.8	31
12. Kansas.....	4,031	9,836	115,843	28.74	+3.3	+3.0	+4.3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	19
13. Louisiana.....	8,814	25,141	179,536	20.37	+1.3	-2	-1.0	+32.0	+28.6	+13.9	37
14. Maine.....	1,393	3,702	52,259	37.62	+1.2	+1.4	+1.1	+9.3	+8.0	+12.3	16
15. Maryland.....	7,284	20,211	226,911	31.15	+5	+3	-1.7	+30.6	+27.6	+31.7	45
16. Massachusetts.....	8,413	20,863	527,843	62.74	+2.1	+1.6	+6.1	+40.6	+30.4	+53.2	18
17. Michigan.....	11,969	27,795	435,803	36.41	-9	-4	-5.7	+7.1	+5.5	+16.2	21
18. Minnesota.....	5,550	14,178	193,639	34.89	+3.2	+2.8	+2.7	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	+19
19. Missouri.....	3,016	8,021	97,118	32.20	+35.5	+34.8	+35.0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	8
20. Montana.....	1,946	4,579	54,482	28.00	+3.0	+2.7	+3.6	+115.7	+111.4	+134.0	30
21. Nebraska.....	4,324	10,131	105,368	24.37	+7	+4	+2	+6.9	+4.2	-3.5	26
22. New Hampshire.....	356	986	13,963	39.22	( <sup>10</sup> )	-1	+1.1	+6.6	+3.9	+13.4	7
23. New Jersey.....	11,382	25,347	337,993	29.70	+5	+5	+1.6	+5.3	+4.4	+10.6	+22
24. New Mexico.....	1,419	4,133	36,471	25.70	-4	-5	+5	+47.9	+37.8	+55.5	28
25. New York.....	27,820	57,315	1,324,824	47.62	+8	+7	-4	+11.5	-6	+26.0	18
26. North Carolina.....	7,032	19,832	113,528	16.14	+5.9	+5.0	+5.7	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	16
27. North Dakota.....	830	2,637	28,471	34.30	+8.2	+7.8	+7.8	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	11
28. Ohio.....	10,876	29,321	428,762	39.42	+4	+1.1	+1.4	+12.5	+11.7	+31.1	+15
29. Oklahoma.....	14,809	34,240	172,789	11.67	-7	-8	-26.0	+31.2	+27.3	+44.8	42
30. Oregon.....	1,371	3,089	50,900	37.13	+8.6	+8.3	+10.5	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	13
31. Pennsylvania.....	17,896	44,264	612,470	34.22	+1.0	+6	+7	+26.5	+20.9	+22.6	15
32. Rhode Island.....	892	2,479	43,601	48.88	+3.2	+3.6	+2.8	+23.5	+12.7	+15.6	14
33. South Carolina.....	3,449	10,083	70,267	20.37	+10.1	+9.0	+9.8	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	14
34. Tennessee.....	9,902	27,232	182,763	18.46	+4.7	+3.5	+4.3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	30
35. Utah.....	2,784	6,826	85,422	30.68	+6	+4	( <sup>10</sup> )	+26.2	+23.1	+21.6	39
36. Vermont.....	329	1,021	7,274	22.11	+6	+7	+7.0	-14.8	+20.4	-1.8	10
37. Washington.....	6,093	13,245	168,479	27.65	-6.0	-4.9	-11.8	-6.4	-5.5	-11.2	33
38. West Virginia.....	5,704	16,752	123,347	21.62	+1.2	+1.1	+1.4	+103.9	+99.3	+93.2	26
39. Wisconsin.....	10,064	23,378	353,874	35.16	+6	+6	-2.6	+11.3	+12.4	+22.0	+29
40. Wyoming.....	597	1,450	17,933	30.04	+3	-2	+7	-13.1	-13.7	-11.4	21

<sup>1</sup> Amount of obligations incurred for payments to recipients from Federal, State, and local funds, administrative expense excluded. These figures include direct assistance to recipients amounting to \$7,480,292 and obligations incurred for assistance in kind and for payments to persons other than those certified for aid to dependent children for rendering services to recipients amounting to \$49,021 in 6 States and the District of Columbia. Expense for hospitalization and burials is excluded.

<sup>2</sup> Estimated with the advice of the U. S. Bureau of the Census as of Jan. 1, 1938.

<sup>3</sup> Comparison for 38 States and the District of Columbia reporting payments under approved plans for both months; excludes Hawaii.

<sup>4</sup> Comparison for 29 States and the District of Columbia reporting payments under approved plans for both months. The comparison of amount of obligations incurred excludes the amount of obligations incurred for May 1938 for assistance in kind and for payments to persons other than those certified for aid to dependent children for rendering services to recipients, because these items were not included in reports for May 1937. States not making payments for aid to dependent children under plans approved by the Social Security Board for May 1937 are excluded as follows: Georgia, Kansas, Minnesota, Missouri, North Carolina, North Dakota, Oregon, South Carolina, Tennessee, and Hawaii.

<sup>5</sup> For 38 States and the District of Columbia; excludes Hawaii.

<sup>6</sup> Maximum age under State plan over 16 years, but rate based on population under 16 years of age.

<sup>7</sup> Not administering aid to dependent children under an approved plan for this month.

<sup>8</sup> Preliminary figures, subject to revision.

<sup>9</sup> Not computed because figures for May 1938 are preliminary.

<sup>10</sup> No change.

<sup>11</sup> Includes 2,012 children 16-18 years of age.

<sup>12</sup> Maximum age under State plan over 16 years, but rate based on number of recipients and population under 16.

<sup>13</sup> Less than 0.1 percent.



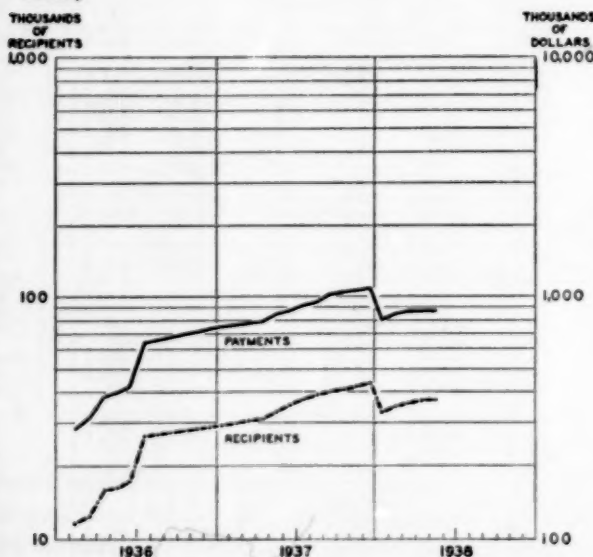
children, and amounts of obligations from May 1937 to May 1938.

The number of recipients per 1,000 estimated population under 16 years of age in 38 States and the District of Columbia was 21. The range was from 7 per 1,000 in New Hampshire to 45 per 1,000 in Maryland.

### Aid to the Blind

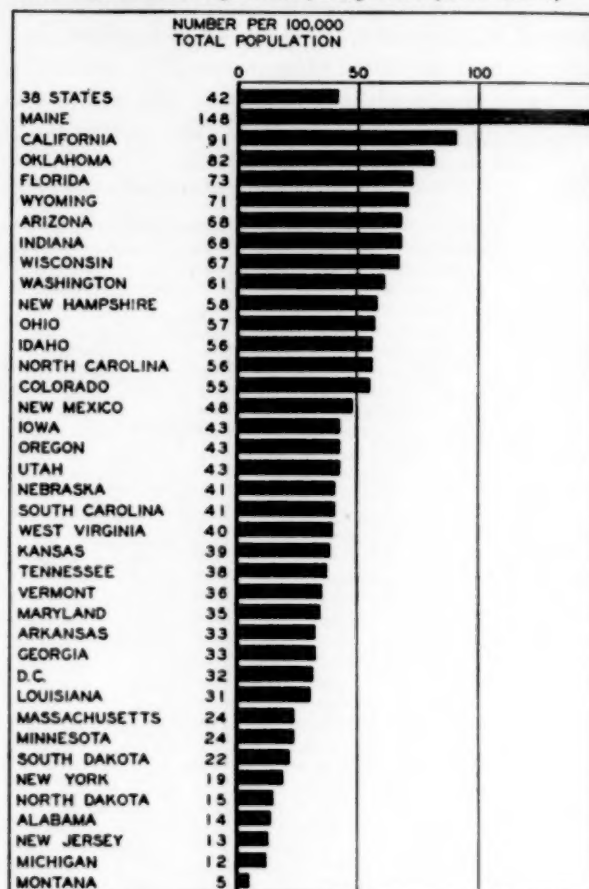
A total of \$885,300 was expended for payments to 38,188 blind recipients for May 1938 in 37 States, the District of Columbia, and Hawaii. Payments averaged \$23.18 per recipient. In 15 States the average amount per recipient fell between \$20 and \$25; in 7 States the average was \$25 or more; in another 7, between \$15 and \$20; in still another 7, between \$10 and \$15; and in 3 States it was less than \$10. The lowest average payment was \$8.18 in Oklahoma, and the highest was \$47.88 in California.

Chart X.—Aid to the blind under the Social Security Act, February 1936–May 1938 (semilogarithmic scale)



Comparison of data for May 1938 with the preceding month for 36 States and the District of Columbia, shows an increase of 2.4 percent in the number of recipients and 0.8 percent in the amount of obligations. Eight States showed decreases in both items, but, for the most part, these were slight. Increases in the numbers of recipients and in the amounts of obligations incurred were not large; in only three States—Florida, South Dakota, and Tennessee—were the increases in both items more than 10 percent.

Chart XI.—Recipients of aid to the blind per 100,000 total population in States with plans approved by the Social Security Board, May 1938 (see table 8)



The number of recipients and the amount of obligations for May 1938 were 22.7 percent and 35.6 percent, respectively, greater than for May 1937. In only three States—Arkansas, Utah, and Wyoming—were there decreases in both these items. In Alabama and New York the increases in the numbers of recipients and in the amounts of obligations over the year's period were more than 150 percent.

The number of blind recipients per 100,000 estimated population for 37 States and the District of Columbia was 42. The range was from 5 per 100,000 in Montana to 148 in Maine.

### States Without Plans Approved by the Social Security Board

Some States made payments for aid to dependent children and aid to the blind under State laws without Federal participation during May

1938. In that month there were 9 States—Connecticut, Florida, Illinois, Iowa, Kentucky, Nevada, South Dakota, Texas, and Virginia—that made payments without Federal participation for aid to dependent children. Five States—Illinois, Kentucky, Missouri, Nevada, and Pennsylvania—

made payments for aid to the blind under State laws without Federal participation.

In the nine States approximately 17,000 families with 41,000 children received \$389,000, and 23,000 blind recipients received \$654,000 in five States, none of which was from Federal funds.

Table 8.—Aid to the blind in States with plans approved by the Social Security Board, by States, May 1938

[Data reported by State agencies, corrected to June 15, 1938]

Aid to the blind for May 1938								
State	Number of recipients	Amount of obligations incurred for payments to recipients for the month <sup>1</sup>	Average per recipient	Percentage change				Number of recipients per 100,000 estimated population <sup>2</sup>
				From April 1938 in—		From May 1937 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total <sup>3</sup>	38,188	\$885,300	\$23.18	+2.4	+0.8	+22.7	+35.6	42
1. Alabama	420	4,019	9.57	+2	-2.1	+165.8	+154.7	14
2. Arizona	279	6,590	23.62	+6.1	+2.2	+64.1	+82.8	68
3. Arkansas	668	6,091	9.12	-7	-6	-3.2	-1.6	33
4. California	5,598	268,025	47.88	+1.5	+1.4	+19.1	+59.0	91
5. Colorado	593	16,367	27.60	-2	-8	+8	+4.0	55
6. District of Columbia	202	5,338	26.43	+2.5	+1.6	+45.3	+54.4	32
7. Florida	1,224	18,337	14.97	+26.8	+24.2	( <sup>4</sup> )	( <sup>4</sup> )	73
8. Georgia	1,017	11,674	11.48	+3.1	+1.7	( <sup>4</sup> )	( <sup>4</sup> )	33
9. Hawaii	43	897	14.24	( <sup>10</sup> )	( <sup>10</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>10</sup> )
10. Idaho	275	6,197	22.53	+4	( <sup>11</sup> )	+6.6	+3.0	56
11. Indiana	2,373	45,007	18.97	+1.9	+2.1	+27.4	+35.0	68
12. Iowa	1,104	25,649	23.23	+5.1	+4.6	( <sup>4</sup> )	( <sup>4</sup> )	43
13. Kansas	730	14,997	20.54	+7.2	+6.7	( <sup>4</sup> )	( <sup>4</sup> )	39
14. Louisiana	659	8,384	12.72	+5.6	+4.7	( <sup>4</sup> )	( <sup>4</sup> )	31
15. Maine	1,264	28,443	22.50	-3	-4	+11.2	+22.5	148
16. Maryland	563	12,233	20.63	+1.0	+1.0	+2.1	+4.9	35
17. Massachusetts	1,063	22,489	21.16	+5	+1.6	+9.6	+31.4	24
18. Michigan	569	13,086	23.00	+2.0	-9.5	+1.1	+12.5	12
19. Minnesota	628	14,602	23.25	+1.6	+4.5	( <sup>4</sup> )	( <sup>4</sup> )	24
20. Montana	29	571	19.71	( <sup>12</sup> )	( <sup>12</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	5
21. Nebraska	561	11,363	20.25	( <sup>12</sup> )	+2.2	+2.7	+6.0	41
22. New Hampshire	294	6,329	21.53	+1.4	+3.2	+2.8	+12.1	58
23. New Jersey	580	12,892	22.23	+1.9	+1.4	+20.8	+25.4	13
24. New Mexico	204	2,317	16.26	( <sup>12</sup> )	+1.2	+19.3	+32.5	48
25. New York	2,475	56,536	22.84	+1.1	-1.7	+168.1	+183.7	19
26. North Carolina	1,959	28,203	14.40	+2.5	+3.0	( <sup>4</sup> )	( <sup>4</sup> )	56
27. North Dakota	104	1,892	18.19	-1.0	-2	( <sup>14</sup> )	( <sup>14</sup> )	15
28. Ohio	3,822	73,824	19.32	+8	+1.9	+4.0	+13.5	57
29. Oklahoma	2,092	17,121	8.18	-3	-27.2	+71.3	-13.5	82
30. Oregon	444	11,231	25.30	+2.1	+1.8	+11.6	+13.2	43
31. South Carolina	775	10,661	13.76	+5.6	+5.1	( <sup>4</sup> )	( <sup>4</sup> )	41
32. South Dakota	154	3,282	21.31	+22.2	+20.6	( <sup>4</sup> )	( <sup>4</sup> )	22
33. Tennessee	1,108	16,402	14.80	+13.6	+11.7	( <sup>4</sup> )	( <sup>4</sup> )	38
34. Utah	224	5,746	25.65	-2.6	-2.7	-11.1	-5.9	43
35. Vermont	140	2,322	16.59	-7	-2	-6.0	+38.2	36
36. Washington	1,018	33,772	33.17	-3.7	-6.7	+40.0	+33.8	61
37. West Virginia	753	13,155	17.47	+1	+1	+28.5	+22.5	40
38. Wisconsin	1,964	43,407	22.10	( <sup>12</sup> )	+8	-9	+6	67
39. Wyoming	166	4,859	29.27	+3.8	+1.0	-7.8	-16.6	71

<sup>1</sup> Amount of obligations incurred for payments to recipients from Federal, State, and local funds, administrative expense excluded. These figures include direct assistance to recipients amounting to \$883,598 and obligations incurred for assistance in kind and for payments to persons other than those certified for aid to the blind for rendering services to recipients amounting to \$1,702 in 6 States. Expense for hospitalization and burials is excluded.

<sup>2</sup> Estimated by the U. S. Bureau of the Census as of July 1, 1937.

<sup>3</sup> In addition, Connecticut has a plan for aid to the blind approved by the Social Security Board but has not requested Federal funds since July 1, 1936.

<sup>4</sup> Comparison for 36 States and the District of Columbia reporting payments under approved plans for both months; excludes Montana and Hawaii.

<sup>5</sup> Comparison for 26 States and the District of Columbia reporting payments under approved plans for both months. The comparison of the amount of obligations incurred excludes the amount of obligations incurred for May 1938 for assistance in kind and for payments to persons other than those certified for aid to the blind for rendering services to recipients, because these items were not included in reports for May 1937. States not reporting payments for aid to the blind under plans approved by the Social Security Board for May 1937 are excluded as follows: Florida, Georgia, Iowa, Kansas, Louisiana, Minnesota, Montana, North Carolina, South Carolina, South Dakota, Tennessee, and Hawaii.

<sup>6</sup> For 37 States and the District of Columbia; excludes Hawaii.

<sup>7</sup> Excludes aid to the blind administered by county governments to recipients not yet approved for aid under State plan.

<sup>8</sup> Not administering aid to the blind under an approved plan for this month.

<sup>9</sup> Preliminary figures, subject to revision.

<sup>10</sup> Not computed, because figures for May 1938 are preliminary and subject to revision.

<sup>11</sup> Less than 0.1 percent.

<sup>12</sup> Federal funds available, but no payments made for aid to the blind for this month.

<sup>13</sup> No change.

<sup>14</sup> Not computed, because figures for May 1937 are too small for comparison.

# RELIEF IN URBAN AREAS\*

## FOR APRIL 1938

The total amount of obligations incurred for relief extended to cases and for earnings to persons in need of relief under the Works Progress Administration in 116 urban areas during April 1938 was \$112.4 million. Only about \$1 million—slightly less than 1 percent—of the total amount of relief was expended by private agencies. The total amount of obligations for April showed an increase over the preceding month of almost \$2 million, or 1.8 percent. This was the smallest percentage increase since last October.

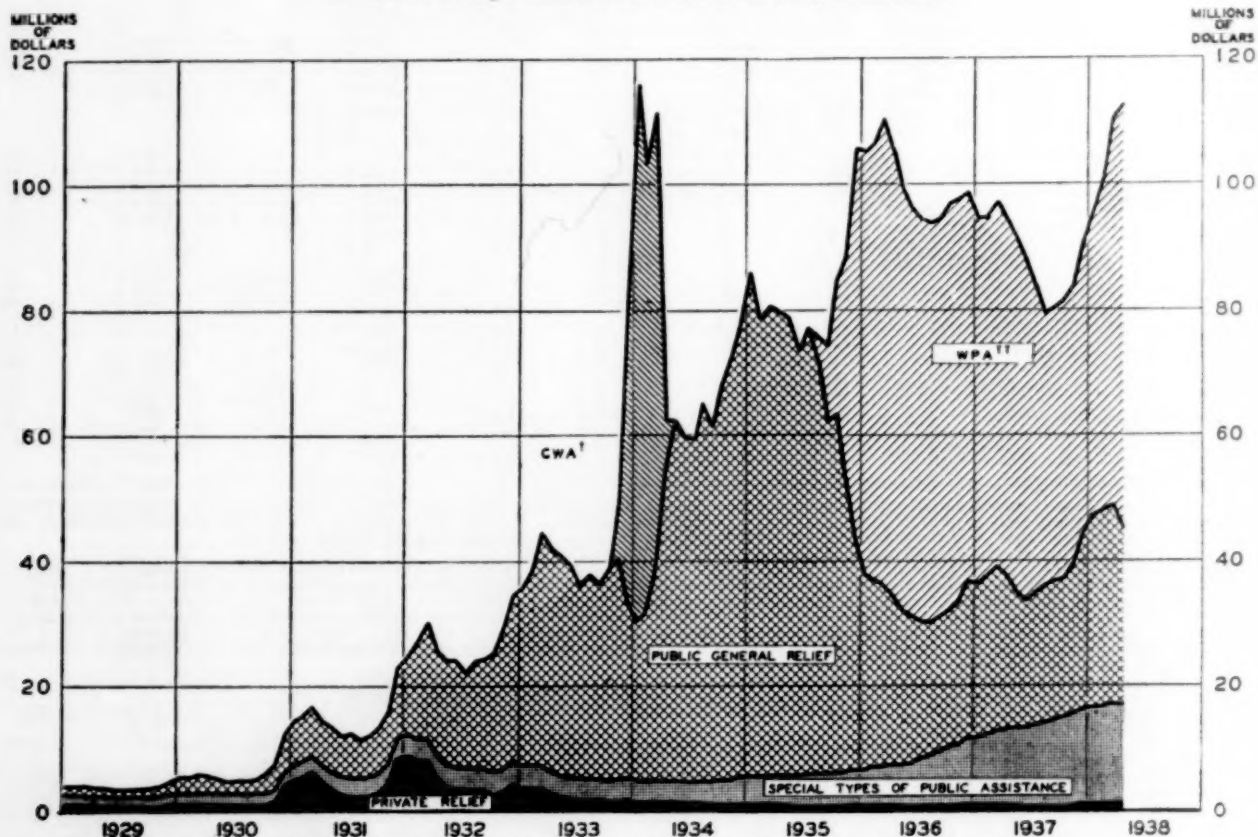
Earnings of persons in need employed on projects under the Works Progress Administration showed the largest percentage increase—9.2 percent—of any of the specified types of relief from March to April 1938. These earnings formed about three-fifths of the total obligations in April

and only slightly less in March. Increases were noted for old-age assistance and aid to the blind, although these were very slight, 0.5 percent and 1.0 percent, respectively. Aid to the aged formed about 10 percent of the total obligations for relief and aid to the blind only 0.6 percent for both March and April. The amount of obligations for general relief extended to cases declined more than 11 percent from March to April. Exactly one-fourth of the total obligations for April 1938 were for general relief. This proportion was somewhat less than for March.

The number of cases of old-age assistance and of aid to the blind increased only slightly in April, as did the amount of obligations for each of these types of assistance. Although the amount of obligations for aid to dependent children decreased about 1 percent, the number of cases increased 1.5 percent. A decrease occurred in the number of

\*Prepared in the Bureau of Research and Statistics, Division of Public Assistance Research.

Chart I.—Relief in 116 urban areas in the United States



† Earnings under Civil Works Administration of all persons employed under the program including the administrative staff.

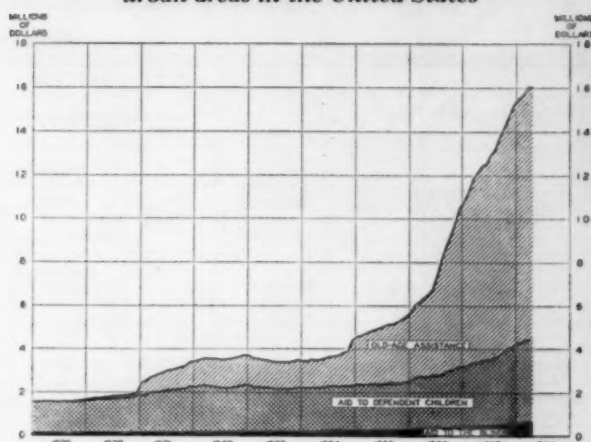
†† Earnings under Works Progress Administration of persons employed on projects within the areas and certified as in need of relief.



cases of general relief—6.6 percent, or only slightly more than one-half as much as the decline in obligations.

Comparison of data for April with the total amount of obligations incurred for relief for the same month of the previous year shows an increase of almost one-fifth—18.8 percent. Every type of relief incurred by public agencies increased over the same month a year ago. The largest percentage increase was 35.2 percent for aid to the blind, but this type of assistance formed less than 1 percent of the total obligations for both months. Old-age assistance increased 31.2 percent, and aid to dependent children, 29.6 percent. The three special types of public assistance, which together showed an increase of 31.0 percent, were 14.2 percent of the total obligations in April 1938 and 12.9 percent in April 1937. An increase of almost 20 percent occurred in the earnings of persons in need of relief on projects of the Works Progress Administration. These earnings were practically

Chart II.—Special types of public assistance in 116 urban areas in the United States



the same proportion—about 60 percent—of the total obligations for April 1937 and April 1938. General relief, which formed about one-fourth of the total in both months, had increased 12.5 percent from April 1937 to April 1938.

Table 1.—Relief in 116 urban areas:<sup>1</sup> Amount, cases aided, percentage change, and percentage distribution by type of administrative agency compared with previous month and same month of previous year, April 1938

[Corrected to June 24, 1938]

Type of administrative agency	Number of cases <sup>2</sup>	Amount of relief	Relief in urban areas, April 1938						
			Percentage change from—				Percentage distribution of relief in—		
			March 1938		April 1937		April 1938 <sup>3</sup>	March 1938 <sup>3</sup>	April 1937 <sup>3</sup>
			In number of cases	In amount of relief	In number of cases	In amount of relief			
Total.....	(4)	<sup>1</sup> \$112,407,763	(5)	+1.8	(6)	+18.8	100.0	100.0	100.0
Public agencies.....	(4)	<sup>2</sup> 111,444,655	(5)	+1.9	(6)	+19.0	99.1	99.0	99.0
General relief <sup>4</sup> .....	1,031,952	28,084,345	-6.6	-11.3	+20.1	+12.5	25.0	28.6	26.4
Special types of assistance <sup>5</sup> .....	601,644	16,018,467	+1.0	+0.1	+25.4	+31.0	14.2	14.5	12.9
Old-age assistance.....	487,123	11,563,137	+9	+5	+26.0	+31.2	10.2	10.4	9.3
Aid to dependent children.....	94,206	3,807,549	+1.5	-1.1	+23.5	+29.6	3.4	3.5	3.1
Aid to the blind.....	20,312	647,781	+1.3	+1.0	+20.8	+35.2	.6	.6	.5
WPA earnings <sup>10</sup> .....	(11)	67,341,843	(11)	+9.2	(11)	+19.3	59.9	55.9	59.7
Private agencies <sup>12</sup> .....	(4)	<sup>7</sup> 963,108	(5)	-9.5	(6)	-1.0	0.9	1.0	1.0
Nonsectarian agencies.....	22,027	400,082	-8.7	-14.4	-2.8	-11.7	.4	.4	.5
Jewish agencies.....	7,512	193,205	+3.4	-4.5	+16.2	+10.4	.2	.2	.2
Catholic agencies.....	11,764	201,319	-3.4	-4.0	+10.2	+9.3	.2	.2	.2
Salvation Army.....	6,590	35,425	-10.2	-4.1	+11.6	+11.6	(13)	(13)	(13)
Other private agencies.....	10,357	133,077	-18.0	-10.5	+6.9	+3.3	.1	.2	.1

<sup>1</sup> From Federal, State, and local funds, administrative expense excluded.

<sup>2</sup> Case figures incomplete, since certain agencies reporting the amount of relief failed to report the number of cases aided. Detailed figures are available on request.

<sup>3</sup> Percentages in this column are based on figures which include estimates amounting to less than 0.2 percent of the total.

<sup>4</sup> The total number of cases aided by public and private agencies or by either group separately cannot be obtained by adding the figures shown in this column, since in an unknown number of instances cases are receiving relief from more than 1 type of agency.

<sup>5</sup> Includes estimates amounting to \$164,638.

<sup>6</sup> Percentage change not computed. For further explanation see footnote 4.

<sup>7</sup> It should be noted that public agencies administered \$631 of private funds, while private agencies administered \$20,327 of public funds, so that the total amounts contributed from public and private sources, respectively, were \$111,464,351 and \$943,412.

<sup>8</sup> Obligations incurred for relief extended to cases during the month. Includes direct and work relief and statutory aid to veterans administered on the basis of need.

<sup>9</sup> Obligations incurred for payments to and in behalf of recipients for the month.

<sup>10</sup> Earnings of persons employed on projects within the area and certified as in need of relief for all pay-roll periods ended during the month. Separate figures are not available for these areas for earnings of those employed on projects of the Works Program other than those of the Works Progress Administration.

<sup>11</sup> Figures not available.

<sup>12</sup> Obligations incurred for relief extended to cases during the month. Includes direct and work relief and aid to veterans.

<sup>13</sup> Less than 0.1 percent.

**Table 2.—Relief in 116 urban areas:<sup>1</sup> Amount, source of funds, and percentage change from previous month and same month of previous year, by cities, April 1938**

[Corrected to June 24, 1938]

State and city	Territory included	Relief in 116 urban areas, April 1938								Percentage change from—	
		Total	Public funds				Private funds—obligations incurred <sup>5</sup>				
			Obligations incurred for—					Works Progress Administration earnings <sup>4</sup>			
			General relief <sup>2</sup>	Old-age assistance <sup>3</sup>	Aid to dependent children <sup>3</sup>	Aid to the blind <sup>3</sup>					
Alabama:											
Birmingham	County	\$470,837	\$6,883	\$24,553	\$21,719	\$822	\$416,852	\$8	+8.1	+23.9	
Mobile	do	122,293	1,196	10,898	3,028	227	106,611	333	+4.4	+30.5	
California:											
Los Angeles	do	5,076,111	1,511,731	1,385,483	142,070	131,773	1,877,194	27,860	+3	-3.4	
Oakland	do	1,403,716	300,368	211,220	39,193	20,499	829,146	3,290	+6	+28.8	
Sacramento	do	280,337	58,026	93,157	15,823	6,450	104,855	* 2,026	-4.0	+30.6	
San Diego	do	665,717	132,016	191,146	18,573	8,112	314,914	956	-4.0	+4.9	
San Francisco	do	1,705,036	438,969	268,959	40,444	20,206	917,831	18,627	-3.8	+22.0	
Colorado: Denver	do	648,971	60,408	265,559	34,438	3,026	282,616	2,924	-3.2	+8.1	
Connecticut:											
Bridgeport	City	428,571	* 50,374	25,765	6,178	131	* 342,482	* 3,641	+1.0	+38.4	
Hartford	do	275,445	* 63,376	42,428	7,603	315	144,942	* 16,781	-4.3	+28.8	
New Britain	do	95,608	* 20,560	10,146	2,982	101	61,496	323	-8	+23.3	
New Haven	do	534,553	* 56,724	41,972	7,562	224	* 422,646	* 5,425	+1.0	+44.9	
Delaware: Wilmington	County	178,864	32,810	16,238	11,637		113,610	4,569	+9.6	+28.6	
District of Columbia: Washington	City	628,598	64,695	79,822	61,033	5,254	402,787	* 15,307	+6.3	+14.1	
Florida:											
Jacksonville	County	243,709	6,666	42,231	4,320	2,215	187,552	725	+2.5	+73.6	
Miami	do	115,039	5,608	37,371	6,485	635	59,077	* 5,863	+6.7	+75.0	
Georgia: Atlanta	do	578,580	25,515	29,808	10,985	1,698	499,905	4,669	+17.9	+55.4	
Illinois:											
Chicago	do	9,437,474	2,841,678	881,080	81,089	64,383	* 5,470,932	98,312	+5.6	+29.5	
Springfield	do	202,945	50,993	30,562	2,144	4,034	112,097	3,115	+6.3	+24.9	
Indiana:											
Evansville	do	349,062	33,719	21,254	19,121	1,436	272,763	760	+4.3	+46.8	
Fort Wayne	do	276,042	20,824	23,629	17,112	1,284	210,269	* 2,924	+4.0	+55.5	
Indianapolis	do	1,109,221	144,758	90,913	58,323	5,807	800,760	8,660	-1.4	+33.0	
South Bend	do	374,181	62,027	21,130	14,436	788	275,269	531	+2.0	+50.4	
Terre Haute	do	394,709	18,126	29,326	11,471	1,588	333,544	654	+8.0	+43.7	
Iowa:											
Des Moines	do	510,701	59,301	75,922	3,624	3,923	366,707	* 1,224	-5.6	+57.8	
Sioux City	do	208,718	51,632	27,857	3,514	1,166	123,582	967	-4.7	+40.4	
Kansas:											
Kansas City	do	278,536	35,857	17,876	6,613	961	217,173	56	-2.4	+16.5	
Topeka	do	136,509	19,268	13,335	7,024	870	95,601	411	+5.5	+23.5	
Wichita	do	193,467	31,812	25,937	10,977	1,277	122,925	539	-12.8	+12.3	
Kentucky: Louisville	City	267,780	19,925	* 23,150	* 7,398		* 211,832	* 5,455	+1.2	+76.9	
Louisiana:											
New Orleans	Parish	1,034,503	41,454	45,695	61,245	2,513	873,130	* 10,466	+4.4	+9.6	
Shreveport	do	28,531	6,440	9,184	7,963	192	4,368	384	+3.0	+45.9	
Maine: Portland	City	123,949	* 36,279	10,331	2,831	1,516	* 71,690	1,302	-16.6	+9.4	
Maryland: Baltimore	do	794,689	170,512	161,639	146,097	8,147	* 291,103	17,191	-3	-19.8	
Massachusetts:											
Boston	do	2,588,475	507,532	338,055	152,117	6,447	1,497,183	87,141	-7.7	-3.8	
Brockton	do	370,419	35,583	48,399	7,836	561	* 274,500	3,540	-1.0	+31.2	
Cambridge	do	327,446	65,410	32,791	17,902	940	206,806	3,687	+10.6	+51.0	
Fall River	do	374,496	60,732	49,319	11,701	821	251,830	93	+21.0	+48.9	
Lawrence	do	205,803	61,058	35,855	5,101	459	101,994	1,336	-2.9	+63.0	
Lowell	do	322,858	90,167	66,899	11,886	845	190,769	2,292	-3.0	+39.0	
Lynn	do	294,388	* 44,019	64,737	9,568	515	172,062	* 3,487	-7.3	+33.6	
Malden	do	142,472	41,326	26,477	3,855	310	70,471	33	-9.5	+19.7	
New Bedford	do	290,073	70,974	66,419	8,388	809	141,987	1,496	+3.3	+27.6	
Newton	do	95,580	35,167	13,980	7,439	95	36,631	2,268	-12.3	+12.9	
Springfield	do	657,790	120,932	63,003	13,429	389	* 455,270	* 4,767	+7	+14.0	
Worcester	do	818,175	201,597	67,684	17,811	800	* 524,338	5,945	+5	+33.3	
Michigan:											
Detroit	County	5,557,990	1,594,657	273,510	324,899	4,598	3,345,758	* 14,568	-2	+182.8	
Flint	do	698,360	276,646	56,093	20,865	476	343,900	380	+10.3	+217.4	
Grand Rapids	do	664,897	69,295	100,325	37,803	1,462	454,972	* 1,040	+8.8	+83.8	
Pontiac	do	607,646	216,292	51,612	21,946	235	317,453	108	+27.7	+252.0	
Saginaw	do	313,636	63,552	31,672	13,434	163	203,861	954	+50.6	+225.8	
Minnesota:											
Duluth	do	698,252	127,090	102,252	23,088	1,653	439,779	4,420	-1.8	+23.7	
Minneapolis	City	1,596,002	378,266	* 268,209	* 33,454	* 3,026	* 903,948	9,699	-2.2	+10.1	
St. Paul	County	935,899	231,635	107,092	14,696	1,832	573,765	6,849	-3.4	+6.5	
Missouri:											
Kansas City	City	731,621	71,418	* 127,436	* 2,580	* 12,000	* 505,178	* 13,009	+4.1	+36.8	
St. Louis	City and county	2,004,620	137,590	173,251	24,527	* 19,000	1,627,709	22,543	+13.4	+38.0	
Nebraska: Omaha	County	628,509	* 5,693	63,513	* 22,387	1,942	524,358	* 10,616	-4.6	+23.4	
New Jersey:											
Jersey City	City	1,087,518	222,091	22,561	20,125	1,045	* 820,957	* 739	+8.6	-11.4	
Newark	do	1,745,855	479,665	47,215	59,521	1,700	* 1,154,145	3,609	+7.1	+22.9	
Trenton	do	399,998	97,654	14,368	10,560	607	* 274,188	2,621	+9.9	+12.3	

See footnotes at end of table.

**Table 2.—Relief in 116 urban areas: <sup>1</sup> Amount, source of funds, and percentage change from previous month and same month of previous year, by cities, April 1938—Continued**

[Corrected to June 24, 1938]

Relief in 116 urban areas, April 1938										
State and city	Territory included	Total	Public funds				Works Progress Administration earnings <sup>4</sup>	Private funds—obligations incurred <sup>5</sup>	Percentage change from—	
			Obligations incurred for—						March 1938	April 1937
			General relief <sup>2</sup>	Old-age assistance <sup>3</sup>	Aid to dependent children <sup>3</sup>	Aid to the blind <sup>3</sup>				
New York:										
Albany.....	City.....	\$207,742	\$39,505	\$12,453	\$3,353	\$685	<sup>7</sup> \$149,529	\$2,217	-2.3	-3.2
Buffalo.....	County.....	1,566,045	<sup>8</sup> 820,607	94,110	56,198	4,410	573,393	17,327	-7.1	-6.1
New Rochelle.....	City.....	107,725	65,227	9,376	6,471	144	26,373	134	-10.6	+9.5
New York.....	do.....	21,740,122	7,627,192	1,279,532	921,135	32,712	11,682,611	<sup>9</sup> 196,940	-2.1	-3.7
Niagara Falls.....	do.....	110,138	57,875	5,762	5,742	15	<sup>7</sup> 40,076	668	-3.0	-14.9
Rochester.....	do.....	783,643	340,799	98,353	37,511	1,968	<sup>7</sup> 301,629	3,383	-5.3	-2.6
Syracuse.....	do.....	569,201	222,839	43,399	5,514	873	<sup>7</sup> 231,421	5,155	-5.0	-8.5
Utica.....	do.....	214,675	67,346	22,465	12,046	215	<sup>7</sup> 109,888	2,715	-5.3	+13.7
Yonkers.....	do.....	328,235	104,738	22,040	16,664	394	182,221	2,178	-1.1	+7.7
North Carolina:										
Asheville.....	County.....	108,064	3,076	14,657	5,881	827	83,623	-----	+9.0	+98.2
Charlotte.....	do.....	68,843	7,670	9,049	4,055	930	46,503	636	+12.3	+70.5
Greensboro.....	do.....	68,418	467	15,585	8,126	1,231	42,709	<sup>10</sup> 300	+2.7	+35.1
Winston-Salem.....	do.....	82,747	4,230	10,472	3,925	1,013	59,548	3,559	-8	+44.1
Ohio:										
Akron.....	do.....	1,180,241	70,913	73,399	21,145	1,785	1,010,535	2,464	+14.1	+76.1
Canton.....	do.....	539,518	79,841	72,645	10,966	1,986	373,848	212	+19.7	+130.7
Cincinnati.....	do.....	1,492,814	307,520	178,350	34,448	5,454	947,837	19,205	+14.2	+14.6
Cleveland.....	do.....	4,605,656	612,273	194,608	91,048	6,783	3,663,966	36,978	+12.7	+66.3
Columbus.....	do.....	866,229	112,425	142,452	19,539	8,399	584,061	<sup>8</sup> 2,353	+6.4	+27.8
Dayton.....	do.....	698,072	128,057	102,655	16,258	2,450	417,424	1,228	+9.5	+34.4
Springfield.....	do.....	195,622	45,690	51,198	5,889	1,503	90,792	<sup>10</sup> 550	+12.0	+30.9
Toledo.....	do.....	1,440,787	210,801	109,389	22,084	3,877	1,093,139	1,497	+16.1	+98.6
Youngstown.....	do.....	631,759	73,720	82,757	15,370	2,468	487,023	421	+13.1	+56.6
Oklahoma: Tulsa.....	do.....	219,119	8,253	69,037	18,907	2,169	112,691	8,027	-3.3	+37.1
Oregon: Portland.....	do.....	670,757	137,437	142,757	13,228	4,800	371,010	1,525	+2.8	+11.9
Pennsylvania:										
Allentown.....	do.....	320,447	42,594	30,741	9,721	5,323	230,943	1,125	+2.9	+2.7
Altoona.....	do.....	331,032	50,836	36,086	10,778	5,881	226,637	<sup>8</sup> 814	-5.5	+27.1
Bethlehem.....	do.....	318,665	42,038	28,949	10,456	4,609	231,694	919	+4.8	+7.1
Chester.....	do.....	321,720	54,341	36,959	10,780	6,673	211,073	1,894	+5.6	-1.9
Erie.....	do.....	394,337	67,304	52,628	13,826	7,459	263,065	55	+5.2	+3.4
Johnstown.....	do.....	406,947	90,520	41,906	16,848	6,375	250,977	321	+12.0	+24.1
Philadelphia.....	do.....	4,133,337	2,302,819	366,812	96,335	64,824	1,250,305	<sup>8</sup> 52,242	-5.6	-6.7
Pittsburgh.....	do.....	3,527,107	1,078,251	262,516	98,611	35,408	2,027,069	<sup>8</sup> 25,252	+6.9	+8.1
Reading.....	do.....	419,272	78,711	80,038	11,209	8,890	299,299	<sup>8</sup> 1,185	+10.4	+15.0
Scranton.....	do.....	1,140,885	123,197	66,255	29,521	8,671	922,618	<sup>8</sup> 3,623	+8.9	+20.5
Wilkes-Barre.....	do.....	1,501,842	292,816	68,121	37,472	12,485	1,088,872	2,076	-1.8	+9.2
Rhode Island: Providence.....	City.....	841,616	120,670	80,896	16,873	-----	<sup>7</sup> 647,994	6,083	+4.7	+35.8
South Carolina: Charleston.....	County.....	122,052	2,763	15,393	5,246	807	97,342	501	+8.5	+75.1
Tennessee:										
Knoxville.....	do.....	124,353	5,112	16,358	14,142	798	87,808	<sup>10</sup> 135	+4.6	+57.8
Memphis.....	do.....	205,863	1,658	39,195	21,242	3,252	136,989	4,529	-1.6	+48.9
Nashville.....	do.....	145,249	1,845	18,522	16,875	2,020	105,024	963	-1.4	+21.6
Texas:										
Dallas.....	do.....	291,474	23,054	86,055	975	-----	177,118	4,272	(11)	+8.2
El Paso.....	do.....	55,645	38	10,915	-----	-----	44,262	430	+5.3	-19.0
Fort Worth.....	do.....	262,724	15,454	61,879	-----	-----	184,976	415	-3.2	-4.6
Houston.....	do.....	299,987	26,656	69,588	-----	-----	171,143	2,600	+1.9	+6.7
San Antonio.....	do.....	203,532	0	59,580	-----	-----	140,536	3,416	+1.8	-2.1
Utah: Salt Lake City.....	do.....	383,802	39,664	103,643	25,139	1,170	199,013	<sup>8</sup> 14,973	+2	+39.4
Virginia:										
Norfolk.....	City.....	69,916	5,171	-----	450	-----	63,275	<sup>8</sup> 1,020	+5	-3.0
Richmond.....	do.....	125,065	25,373	-----	923	-----	92,767	<sup>8</sup> 12 6,632	+3.6	+14.0
Roanoke.....	do.....	34,707	4,077	-----	110	-----	30,520	-----	+4.6	-6
Washington:										
Seattle.....	County.....	1,170,796	162,351	250,949	42,028	9,764	698,975	6,729	-6.0	+34.4
Tacoma.....	do.....	507,964	44,545	96,102	22,801	3,543	340,973	-----	-12.1	+15.7
West Virginia: Huntington.....	do.....	180,268	8,939	10,936	5,141	697	154,092	463	+9.0	+26.1
Wisconsin:										
Kenosha.....	do.....	250,246	37,079	16,657	13,848	1,379	181,156	97	+7.3	+33.3
Madison.....	do.....	237,464	21,971	40,348	15,425	937	158,406	267	+2.1	+31.5
Milwaukee.....	do.....	2,135,441	375,903	147,459	95,833	7,679	1,492,410	16,107	+2.1	+29.2
Racine.....	do.....	203,854	33,214	23,008	14,395	703	131,409	1,125	+6.0	+48.5

<sup>1</sup> From Federal, State, and local funds, administrative expense excluded.

<sup>2</sup> Obligations incurred for relief extended to cases during the month. Includes direct and work relief and statutory aid to veterans administered on the basis of need.

<sup>3</sup> Obligations incurred for payments to and in behalf of recipients for the month.

<sup>4</sup> Earnings of persons employed on projects within the area and certified as in need of relief for all pay-roll periods ended during the month. Separate figures are not available for these areas for earnings of those employed on projects of the Works Program other than those of the Works Progress Administration.

<sup>5</sup> Obligations incurred for relief extended to cases during the month. Includes direct and work relief and aid to veterans.

<sup>6</sup> Includes estimate.

<sup>7</sup> Figures relate to county.

<sup>8</sup> Figures relate to city.

<sup>9</sup> Figures relate to Baltimore County as well as to the city of Baltimore.

<sup>10</sup> Estimated.

<sup>11</sup> Less than 0.1 percent.

<sup>12</sup> Figures for certain private agencies included here relate to Chesterfield and Henrico Counties as well as to the city of Richmond.



## A SEASONAL INDEX OF URBAN RELIEF \*

It is customary in discussing changes in the trend of business and industry to explain that the changes represent significant variations free from seasonal influences. Data for the computation of a seasonal index of relief which can be used in the adjustment of the long-time relief trend have not been assembled until very recently. The former lack of data resulted from two principal causes: (1) Reliable monthly data were available for only a few years, and (2) changing administrative policies caused a shift of data from one relief program to another, which obscured seasonal variation.

The longest and the most complete collection of relief data is the series now published by the Social Security Board under the title "Relief in Urban Areas." This series of data, reported monthly from 116 urban areas, extends over a period of more than 9 years, from 1929 to the present time. The present series was established by combining in 1932 reporting systems previously operated by the Russell Sage Foundation and the United States Children's Bureau and was carried on by the Children's Bureau until July 1936 when it was transferred to the Social Security Board.

The advantages of this urban series over all other collections of relief data lie in the following facts: (1) The series was established prior to the depression period and therefore includes data on relief administered at the very peak of prosperity; (2) the series covers not only public relief but all aid rendered by private agencies, which were

of considerable importance in the period prior to 1933 and become again important wherever there are shortages of public funds; (3) the series includes not only general relief but the types of public assistance administered under special statutory authority, such as that administered under the Social Security Act; and (4) the series includes data for the several work-relief programs such as those of the Civil Works Administration and the Works Progress Administration. The only important omissions are data for Federal agencies other than the Works Progress Administration which are considered to form a part of the Federal Works Program, for the Civilian Conservation Corps, and for the National Youth Administration. It is believed, however, that these omissions are relatively slight and do not affect the trend significantly.

The reported data for this series have been reviewed recently with considerable care. Through the cooperation of the local reporting agencies, the central collecting agents, and several Federal agencies, it has been possible to correct errors, to eliminate items excluded by definition, and to place this series on as sound a foundation as can be expected of a voluntary reporting system. The urban relief data, presented in table 1, are obtained from reports of more than 1,100 agencies located in 116 selected urban areas, including 129 cities of 50,000 or more population. The coverage of this series represents approximately 66 percent of the urban population and 37 percent of the total population of the United States.

\*By Helen R. Jeter, Chief, and Herman W. Gruber, Division of Public Assistance Research, Bureau of Research and Statistics.

**Table 1.—Total amount of relief extended to cases in 116 urban areas of the United States, by years and by months, January 1929–March 1938**

Month	Total amount of relief extended to cases in 116 urban areas									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Total.....	\$46,282,706	\$74,450,425	\$175,564,875	\$316,393,327	\$526,834,782	\$919,975,278	\$984,418,941	\$1,200,325,930	\$1,060,991,153	\$305,969,107
January.....	4,049,048	5,418,345	14,661,882	24,845,042	36,003,473	115,925,129	86,218,809	105,247,702	94,811,072	94,903,627
February.....	4,048,907	5,500,869	15,387,093	27,102,273	38,803,406	103,345,160	78,639,015	106,571,323	94,926,339	100,652,381
March.....	4,099,956	5,932,202	16,965,327	30,169,178	44,630,261	111,325,575	80,797,106	110,393,993	97,333,567	110,413,069
April.....	3,819,295	5,697,221	14,378,164	25,618,788	41,883,947	62,718,833	79,682,146	105,430,260	94,109,119	.....
May.....	3,693,184	5,210,022	13,379,354	24,084,738	40,971,860	62,296,445	78,876,533	99,641,929	91,743,194	.....
June.....	3,529,678	4,883,897	12,123,210	24,156,929	39,345,256	59,963,136	73,713,795	96,260,428	88,203,181	.....
July.....	3,488,015	4,964,618	12,467,166	22,173,227	36,268,294	59,550,515	77,272,007	94,410,700	83,647,233	.....
August.....	3,512,764	5,067,183	11,476,523	24,070,140	38,038,686	65,155,513	75,811,464	93,931,444	79,390,882	.....
September.....	3,466,760	5,356,410	12,083,545	24,344,830	36,651,959	61,460,340	74,196,356	94,631,671	80,441,745	.....
October.....	3,694,900	6,189,500	13,371,871	25,404,333	38,929,712	68,038,013	84,994,179	97,124,793	81,660,412	.....
November.....	4,006,287	7,551,872	16,138,413	29,655,511	48,745,327	72,412,076	88,516,495	97,883,301	84,044,734	.....
December.....	4,873,912	12,678,286	23,132,327	34,768,338	56,562,601	77,784,543	105,701,036	98,798,386	90,679,675	.....

**Table 2.—Simple monthly index of total amount of relief extended to cases in 116 urban areas, January 1929–March 1938**

[Not adjusted for seasonal variation; average monthly amount 1935=100]

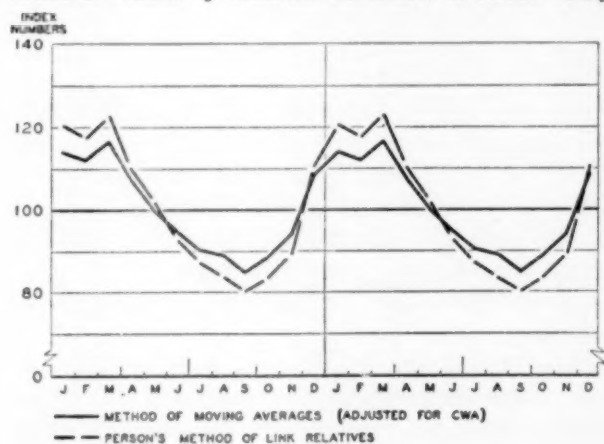
Month	Index of urban relief not adjusted for seasonal variation									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
January.....	4.9	6.6	17.9	30.3	43.9	141.3	105.1	128.3	115.6	115.7
February.....	4.9	6.7	18.8	33.0	47.3	126.0	95.9	129.9	115.7	122.7
March.....	5.0	7.2	20.7	36.8	54.4	135.7	98.5	134.6	118.6	134.6
April.....	4.6	6.9	17.5	31.2	51.0	76.4	97.1	128.5	114.7	-----
May.....	4.5	6.4	16.3	29.4	49.9	75.9	96.1	121.5	111.8	-----
June.....	4.3	6.0	14.8	29.4	48.0	73.1	89.8	117.3	107.5	-----
July.....	4.2	6.0	15.2	27.0	44.2	72.6	94.2	115.1	102.0	-----
August.....	4.3	6.2	14.0	29.3	46.4	79.4	92.4	114.5	96.8	-----
September.....	4.2	6.5	14.7	29.7	44.7	74.9	90.4	115.4	98.0	-----
October.....	4.5	7.5	16.3	31.0	47.4	82.9	103.6	118.4	99.5	-----
November.....	4.9	9.2	19.7	36.1	59.4	88.3	107.9	119.3	102.4	-----
December.....	5.9	15.4	28.2	42.4	105.5	94.8	128.8	120.4	110.5	-----

### Simple or Unadjusted Index

A series of relative numbers not adjusted for seasonal variation is presented in table 2. These relative numbers form a simple index in relation to the average monthly amount of relief extended to cases for the calendar year 1935. This base period was chosen because all the assistance programs in operation at the present time were then in existence and because the era of violent month-to-month fluctuations in relief expenditures seems to have ceased with the initiation of a relatively stable work-relief program by the end of 1935. None of the monthly data for 1935 represents peak or low points; moreover, the computed index numbers for the months of maximum expenditures are not too high to preclude the expansion of this series. The use of a broader base period seemed inadvisable in view of the brevity of the period of 9 years for which the data are available.

This simple index indicates that in January 1934, when relief expenditures were the highest of this 9-year period, the amount expended was 41.3

**Chart I.—Index of seasonal variation in urban relief**



percent above the average monthly amount expended during 1935. Since this peak occurred during the Civil Works Administration period, when an unknown proportion of the public relief expenditures in these urban areas included payments to persons not certified as in need of relief, the secondary peaks in March 1936 and March 1938 should be considered. In these 2 months, relief expenditures were 34.6 percent above the monthly average for 1935. Such a statement, however, ignores the fact that a figure for March is expected to be above the average for the year. A seasonal index is needed to indicate how much the figures for March 1936 and March 1938 exceeded the normal expectation or to reduce the figures for those months to ones which are significant of influences other than seasonal.

### Determining the Index of Seasonal Variation

Seasonal indexes of urban relief, shown in table 3 and chart I, have been computed from the data in this series by two well-known methods. The first<sup>1</sup> is the method of median-link relatives, chained together and related to the average for the year. The use of the median in this method avoids undue influence of the Civil Works Administration period. The second method<sup>2</sup> em-

**Table 3.—Monthly indexes of seasonal variation in urban relief (related to average for the year)**

Month	Person's method of median-link relatives	Method of moving averages	
		Including Civil Works Administration	Adjusted for Civil Works Administration <sup>1</sup>
January.....	120.6	110.5	114.0
February.....	117.7	116.2	112.1
March.....	122.8	123.3	116.5
April.....	110.3	107.8	107.6
May.....	101.8	99.9	99.7
June.....	92.7	92.4	94.5
July.....	87.1	86.9	90.3
August.....	83.6	84.5	89.0
September.....	80.1	82.1	84.8
October.....	83.4	86.0	88.6
November.....	89.3	92.6	94.2
December.....	110.6	111.8	108.7

<sup>1</sup> Estimated figures were used for Civil Works Administration to avoid undue influence of that period on the seasonal index.

ploys moving averages. Since the influence of the Civil Works Administration period is magnified by the method of moving averages, estimated figures have been used to replace the reported data for that period in computing this index.

<sup>1</sup> Persons, Warren M. "Correlation of Time Series," *Journal of American Statistical Association*, Vol. XVIII, No. 142 (June 1923), pp. 713-726.

<sup>2</sup> Joy, Aryness and Thomas, Woodlief. "Use of Moving Averages in the Measurement of Seasonal Variation," *Journal of American Statistical Association*, Vol. XXIII, No. 163 (September 1928), pp. 241-252.

Chart II.—Trends of relief in 116 urban areas, January 1929–March 1938

[Average monthly amount for 1935=100]



The seasonal indexes computed by both methods show a peak in March, which is reached by a steady ascent from September through January with a slackening in February just before the sharp rise in March. After March the curve sweeps steadily down to September. The slight dip in February may result either from the fact that February is nearly 10 percent shorter than January and March or that changes in administrative policies have taken place in February.

The March peak, however, is established beyond doubt. Although the reported data for most years indicate that the figures for December exceed the figures for March, this fact is the result of the general upward trend of relief which appears in a series of waves about a steadily rising curve. (See chart II.) The crest of each wave actually occurred in March in every year from 1929 through 1937 except in 1934 and 1935. In 1934, Civil Works Administration activity caused the peak to occur in January; in 1935, the Federal Emergency Relief Administration program also reached a peak in January.

There is less certainty about the actual timing of the low point. The trough of the wave occurs frequently in July or August, but a secondary trough is important enough to determine the low point of the seasonal index as September by all methods of calculation.

#### *The Meaning of Seasonal Variation in Relief*

The partly seasonal character of relief needs has been recognized in many communities where the standard family budget for the winter months includes larger amounts for fuel and clothing. Seasonal unemployment is also a factor influencing the seasonal index of relief, although in the data from many different geographic areas and from cities with establishments idle at different seasons of the year, the seasonal influences may tend to offset one another. Illness in dependent families may also reach a peak in the winter or early spring months.

The March peak is doubtless the cumulative effect of continued winter needs associated with the final exhaustion of savings after winter unemployment.



ment. The availability of public funds, particularly Federal funds, may influence the peak to some extent, but since the March peak occurred consistently in each year prior to the inauguration of the Federal relief program, this influence appears to be relatively unimportant.

### *The Application of the Seasonal Index*

The chief use of the seasonal index is to eliminate merely seasonal influences from the monthly figures. Therefore a monthly index of relief, adjusted for seasonal variation, is presented in table 4 and chart II. These figures are free from the normal seasonal influences and indicate the significance of the amount of relief for each month in relation to the average monthly amount during 1935.

The peak for the entire 9-year period, as shown by this adjusted index, occurred in September 1936

**Table 4.—Monthly index of total amount of relief extended to cases in 116 urban areas, adjusted for seasonal variation (by method of moving averages), January 1929–March 1938**

Month	Index of urban relief adjusted for seasonal variation									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
January.....	4.3	5.8	15.7	26.6	38.5	123.9	92.2	112.5	101.4	101.5
February.....	4.4	6.0	16.8	29.4	42.2	112.4	85.5	115.9	103.2	109.4
March.....	4.3	6.2	17.8	31.6	46.7	116.5	84.5	115.5	101.8	115.5
April.....	4.3	6.4	16.3	29.0	47.4	71.0	90.2	119.4	106.6	.....
May.....	4.5	6.4	16.3	29.5	50.0	76.1	96.4	121.9	112.1	.....
June.....	4.6	6.3	15.7	31.1	50.8	77.4	95.0	124.1	113.8	.....
July.....	4.6	6.6	16.8	29.9	48.9	80.4	104.3	127.5	113.0	.....
August.....	4.8	7.0	15.7	32.9	52.1	89.2	103.8	128.6	108.8	.....
September.....	5.0	7.7	17.3	35.0	52.7	88.3	106.6	136.1	115.6	.....
October.....	5.1	8.5	18.4	35.0	53.5	93.6	116.9	133.6	112.3	.....
November.....	5.2	9.8	20.9	38.3	63.0	93.7	114.5	126.6	108.7	.....
December.....	5.4	14.2	25.9	39.0	97.0	87.2	118.5	110.8	101.6	.....

with an amount 36.1 percent above the average for 1935. This September figure, influenced largely by the Federal Works Program, is not only higher than the figures for March 1936 and March 1938—the secondary peaks of the simple index—but is higher than the Civil Works Administration peak in January 1934, which was only 23.9 percent above the 1935 average.

Thus, considering regular seasonal needs, the total public relief bill for September 1936 was extraordinarily high. What was the reason?

### *The Long-Time Trend and Cyclical Fluctuations*

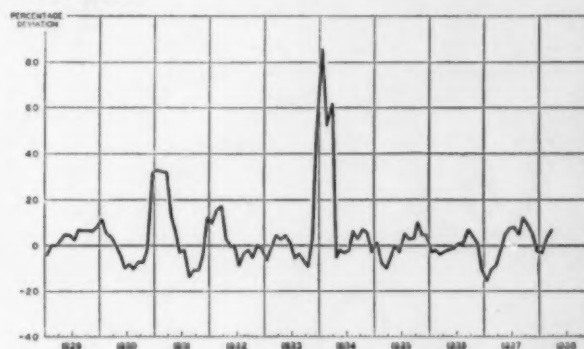
Adjustment for seasonal variation is but one of the corrections to be applied when the significance of any particular historical data is considered.

During the period from 1929 through the winter of 1935–36 there was a steady upward swing in the relief curve; after March 1936 the general direction became uncertain.

Although it is visually obvious, the mathematical determination of this general trend is not easy. None of the simple curve-fitting formulas proved useful. The trend is not a straight line but a curve with several points of inflexion. The most plausible curve was obtained by graphic smoothing and is shown in chart II. This general trend line indicates that the amount of relief extended to cases in September 1936 was higher than in any other month of the period, primarily because of the upward direction of the curve. Relief in September 1936 was 100 points above relief for September 1931 in relation to the average for 1935.

A 9-year period is too short for the final determination of a secular or long-time trend; it is not too short, however, to give definite evidence of marked and irregular temporary departures above and below the general direction. Such departures may be treated as cyclical fluctuations in relation to the general trend, and the significance of the September 1936 peak may be diminished by comparing it with other departures from the trend. These departures have been determined graphically and are presented in terms of percentage deviations in table 5 and chart III.

**Chart III.—Percentage deviations from the general trend of relief in 116 urban areas, January 1929–March 1938**



In this chart the general trend is shown as a horizontal straight line, since for the moment it is of no importance and only the temporary fluctuations above and below the trend are to be considered.

The most significant departure from the general trend was to be expected for the Civil Works Administration period. The total amount of relief

for January 1934 was 86 percent above the trend. The next most significant series of departures from the trend occurred in the winter of 1930-31, when private agencies in the urban areas paid out monthly amounts for relief two and three times their customary expenditures. The figure for January 1931 was 33.1 percent above the general trend. When expenditures for the month of September 1936 are considered in terms of deviations from the general trend, it is important to note that these expenditures were only 7 percent above those to be expected. This fact indicates that the September expenditures were not radical departures from the general trend but represented the peak of a long-time movement.

It is impossible at this time to determine whether the history of relief since September 1936 represents a temporary falling off from the upward relief curve which will reassert its general trend in the next few months. The reported figures from August 1937 seem to indicate this possibility. While the amounts reported for the

last few months seem high when viewed in the light of hopes for recovery during 1936 and 1937, they are not high when viewed as an extension of the general trend from January 1929 through March 1938. Moreover, when adjusted for seasonal variation, March 1938 appears less important than March 1936 and considerably less spectacular than September 1936. There is still a possibility that the downward trend which seemed to begin in the fall of 1936 may be continued during 1938.

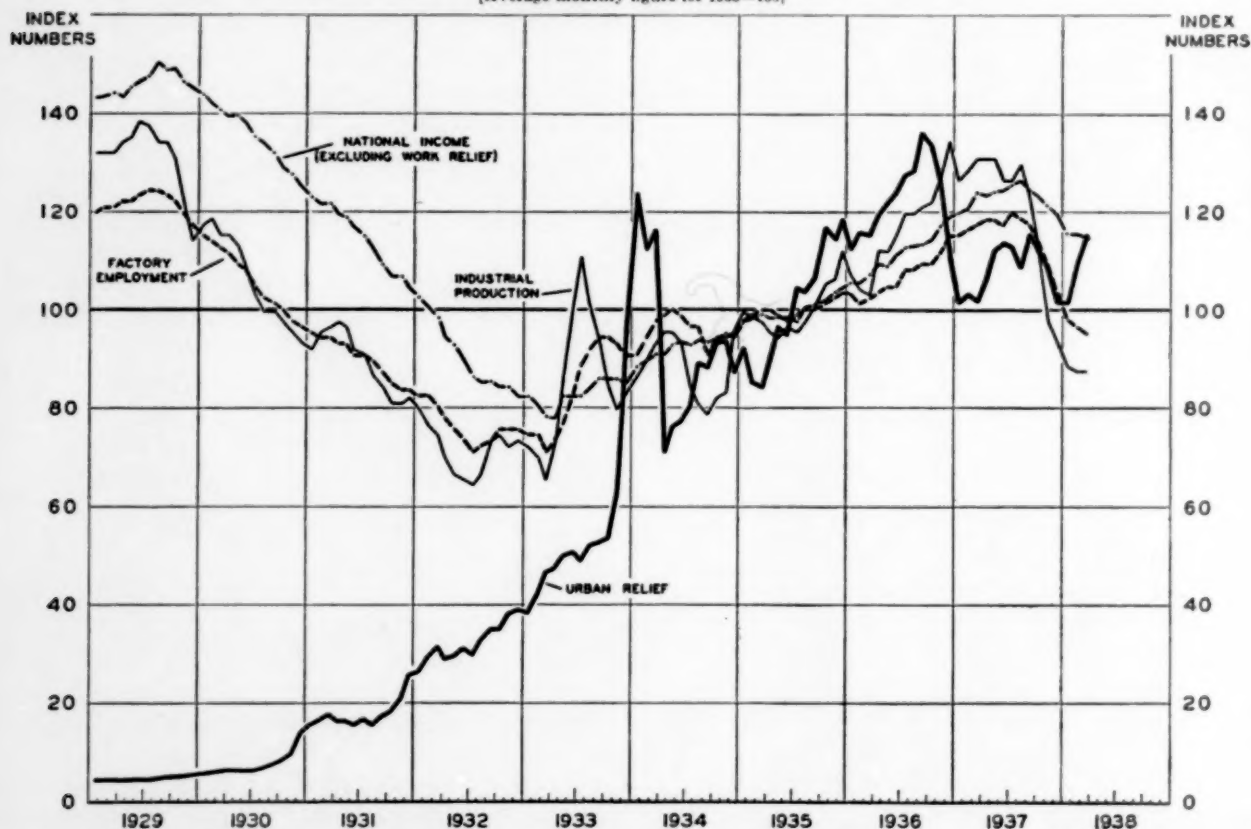
### Relief and Indexes of Prosperity

An index of relief should be a complement to an index of business, industry, or wealth. As these latter curves rise, the curve of relief should fall.

Chart IV shows the index of urban relief compared with indexes for factory employment, industrial production, and national income, adjusted for seasonal variation. From 1929 through 1932 the three prosperity curves were steadily

Chart IV.—Index of relief in 116 urban areas compared with indexes of factory employment, industrial production, and national income, 1929-1938 † (all indexes adjusted for seasonal variation)

[Average monthly figure for 1935=100]



† Index of factory employment based upon data collected by the Bureau of Labor Statistics and adjusted for seasonal variation by the Federal Reserve Board; index of industrial production prepared by the Federal Reserve Board; index of national income estimated by the Bureau of Foreign and Domestic Commerce.

**Table 5.—Percentage deviations from general trend of relief extended to cases in 116 urban areas, January 1929–March 1938**

Month	Percentage deviations from general trend				
	1929	1930	1931	1932	1933
January.....	-4.5	+11.5	+33.1	+9.9	-6.6
February.....	1.0	+5.3	+32.3	+15.3	-1.6
March.....	1.0	+3.3	+31.9	+17.5	+4.5
April.....	+2.4	1.0	+12.4	+2.8	+2.8
May.....	+4.7	-4.5	+6.5	-.3	+4.2
June.....	+4.5	-10.0	-3.1	1.0	+1.8
July.....	-2.2	-8.3	-1.8	-8.8	-5.8
August.....	+6.7	-10.3	-13.7	-3.5	-3.5
September.....	+6.4	-7.2	-10.8	-2.0	-6.2
October.....	+6.3	-7.6	-10.7	-5.4	-9.3
November.....	+6.1	-2.0	-4.1	+3	+2.4
December.....	+8.0	+31.5	+12.6	-1.5	+51.6

Month	Percentage deviations from general trend				
	1934	1935	1936	1937	1938
January.....	+86.0	+1.3	-3.0	-15.3	-3.1
February.....	+62.2	-7.4	-1.9	-10.3	+3.4
March.....	+61.8	-9.9	-3.9	-8.5	+7.0
April.....	-5.2	-5.1	-2.3	-1.8	.....
May.....	-1.8	+1	-1.7	+5.0	.....
June.....	-3.1	-2.9	-1.0	+7.9	.....
July.....	-2.0	+5.0	-.9	+8.2	.....
August.....	+6.3	+2.9	+1.3	+5.0	.....
September.....	+3.0	+3.2	+7.0	+12.2	.....
October.....	+7.3	+10.0	+5.4	+9.0	.....
November.....	+5.6	+4.8	+1.0	+5.2	.....
December.....	-2.9	+4.7	-10.0	-2.2	.....

<sup>1</sup> No deviation.

falling, and the curve of urban relief was steadily rising. After March 1933 the prosperity curves turned and pursued an upward trend until the middle of 1937. The relief curve, on the other hand, continued to rise during 1934, 1935, and 1936, even during the period of rising prosperity, and fell off temporarily only after September 1936.

### **The Effect of Rising Standards of Relief**

The general upward trend of relief during this 9-year period also reflects changing relief standards. General relief administered by private agencies during the period prior to the depression was based generally upon standard family budgets computed at a subsistence or dependency level. Public relief in that period, however, was rarely determined in a scientific manner and was likely to consist of a grocery basket or a dole of a few dollars. The Federal Emergency Relief Administration introduced in 1933 a widespread use of a standard family budget, and (except for the Civil Works Administration period in early 1934) both public and private relief agencies administered relief at a subsistence level until late in 1935. Since the establishment of the Federal Works Program in 1935, wages paid on work projects have approached the hourly rates prevailing in

private industry. Although the number of hours that may be worked is limited to a "security wage," the total received for a month considerably exceeds the amount that was received formerly as general relief under a system of subsistence budgeting.<sup>3</sup>

The determination of average amounts of relief depends upon data on the numbers of families or households, which are not available without duplication for the urban relief series. Figures recently published concerning the total amount of relief received by persons in need in the United States, however, throw some light on changing standards in relief. From July 1936 to March 1938 the average monthly amount of public relief received per household ranged from \$37 to \$42. From July through November 1933, prior to the establishment of the Civil Works Administration, the average monthly amount of public relief reported by the Federal Emergency Relief Administration ranged from \$14 to \$17. Although this amount may have been supplemented either by private agencies or by local public agencies, it is probable that supplementation was not extensive in this period. Thus the standard of family relief has risen more than 100 percent since November 1933. The increase of more than 200 percent in the monthly amount of urban relief since July 1933 is less important when considered in connection with rising standards.

The chief factor in the rising standard of relief is the Federal Works Program. Figures recently published by the Senate Committee to Investigate Unemployment and Relief on average monthly amounts of assistance extended to cases under the several public relief programs now in existence are as follows:<sup>4</sup>

Type of aid	Average monthly amount per case during 1937
Works Progress Administration and other Federal agencies.....	\$50.45
National Youth Administration work projects..	15.32
Old-age assistance.....	18.89
Aid to dependent children.....	30.56
Aid to the blind.....	25.30
General relief.....	23.41
Rural rehabilitation grants.....	17.46

<sup>3</sup> During 1934 and 1935 such budgets provided \$49.50 a month for a family of 4 in New Jersey, \$48 in New York City, \$47 in Cook County, Illinois, and \$53.50 in the State of Washington. The monthly earnings rates established by the WPA range from \$21 to \$60.50 and average \$55 for workers in the various skilled groups. See testimony of Harry Hopkins in *Hearings Before a Special Committee to Investigate Unemployment and Relief*, U. S. Senate, 75th Cong., 3d sess., Vol. 2, p. 1349.

<sup>4</sup> Hearings, op. cit., p. 1442.



The monthly average for enrolled persons in the Civilian Conservation Corps, not shown in this report, was \$70. Since 52 percent of all public relief in the United States for March 1938 was extended by the Works Progress Administration and other Federal agencies participating in the Works Program, the influence of the average

amount of \$50.45 for that program is very great. On the other hand, the relief curve was steadily rising<sup>2</sup> before the establishment of the Works Program in 1935, and the long-time trend cannot be attributed entirely to this one factor.

<sup>2</sup> Geddes, Anne E. *Trends in Relief Expenditures 1910-35*. Works Progress Administration, Division of Social Research, Monograph X, 1937.

## INTERCHANGE OF RELIEF INFORMATION AMONG DEPARTMENTS OF PUBLIC WELFARE OF LARGE CITIES, MAY 1938

City or county departments of public welfare administering general relief in 15 cities have reported for May in the special series for interchange of relief information among large cities. In California, under the State pauper act, the county governments administer general relief to unemployable cases, but the State Relief Administration administers a special fund for employable cases through its own county offices. Therefore, the tabulation for May includes two reports from each of the California cities represented—Los Angeles and San Francisco—and thus includes reports from 17 agencies.

### Reasons for Opening Cases of General Relief

Loss of private employment in Buffalo, Chicago,<sup>1</sup> Cleveland, Los Angeles, Newark, and Rochester accounted for over one-half the cases opened for general relief in these cities. (See table 1.) Cessation of unemployment compensation resulted in acceptance of nearly one-half the cases opened in Pittsburgh and significant proportions of cases opened in Milwaukee and Philadelphia. Loss of employment under the Works Progress Administration accounted for the acceptance of between 10 and 20 percent of cases opened for general relief in Newark, Philadelphia, and Pittsburgh.

Figures on cases opened because of chronic illness were not available in a majority of the cities; in others they were relatively unimportant, except in the District of Columbia and Baltimore where this reason accounted for about 12 percent and 9 percent, respectively, of the cases opened for general relief.

In addition to these specified reasons for opening cases, some data are available for the group included in table 1 under "Other." In Baltimore

about one-third of the cases approved for general relief were opened to supplement aid to dependent children. In Milwaukee necessity for supplementation of earnings resulted in the acceptance of a significant proportion of cases; in St. Louis reduction in earnings, loss or depletion of resources, and temporary illness or incapacity of the wage earner resulted in the addition of a large number of cases to general relief rolls.

Table 1.—Reasons for opening general relief cases in selected cities, May 1938

City or county agency	General relief cases opened during May 1938					
	Number	Percentage opened for specified reason				
		Loss of Works Progress Administration employment	Loss of private employment	Chronic illness	Cessation of unemployment compensation	Other
Baltimore.....	931	(1)	39.0	9.3	(1)	51.7
Buffalo.....	1,463	6.3	63.8	1.8	(1)	28.1
Chicago.....	5,992	7.3	56.6	(1)	—	36.1
Cleveland.....	1,300	7.8	50.2	—	—	42.0
Dist. of Columbia.....	164	—	1.2	12.2	—	86.6
Los Angeles: State Relief Adm.....	4,466	8.2	61.2	(1)	(1)	30.6
Milwaukee.....	4,577	3.5	42.9	(1)	8.6	45.0
Newark.....	1,685	12.8	67.1	—	—	20.1
New York.....	13,423	5.3	(1)	(1)	(1)	(1)
Philadelphia.....	9,050	17.6	44.1	(1)	20.2	18.1
Pittsburgh.....	7,757	10.1	35.7	(1)	48.6	5.6
Rochester.....	623	7.9	60.0	5.9	(1)	26.2
St. Louis.....	2,465	1.6	10.6	1.4	—	86.4

<sup>1</sup> Not reported separately.

<sup>2</sup> Data not available.

### Reasons for Closing Cases

Transfer to Works Progress Administration, as shown in table 2, was the most important reason for closing cases during May in Chicago, Cleveland, Detroit, Los Angeles (State Relief Administration), Milwaukee, Newark, New York, Pittsburgh, San Francisco (State Relief Administration), and St. Louis.

Receipt of unemployment compensation re-

Table 2.—Reasons for closing general relief cases in selected cities, May 1938

City or county agency	General relief cases closed during May 1938								
	Number	Percentage closed for specified reason							
		Transferred to—			Relief no longer needed				
		Works Progress Administration <sup>1</sup>	Old-age assistance	Aid to dependent children	Private employment obtained	Increased earnings	Other income increased	Unemployment compensation received	Other
Baltimore.....	723	27.7	1.6	3.2	12.7	.....	5.4	7.5	38.2
Buffalo.....	2,205	22.5	1.1	.7	27.7	6.8	3.2	19.7	14.5
Chicago.....	7,782	61.9	1.1	( <sup>2</sup> )	8.7	.8	1.2	( <sup>3</sup> )	26.3
Cleveland.....	4,172	67.0	( <sup>4</sup> )	( <sup>4</sup> )	11.5	1.3	3.0	.....	6.5
Detroit.....	21,423	73.2	.3	.....	4.5	.....	1.2	.....	2.5
District of Columbia.....	290	19.7	5.9	6.9	8.3	7.2	7.6	.....	10.3
Los Angeles:									
State Relief Administration.....	5,837	46.1	.2	.5	22.9	( <sup>5</sup> )	( <sup>5</sup> )	7.0	( <sup>5</sup> )
Department of Charities.....	2,296	.6	16.4	7.9	3.7	( <sup>5</sup> )	( <sup>5</sup> )	.....	9.3
Milwaukee.....	6,168	37.6	.5	.7	7.5	9.4	.8	3.7	34.8
Newark.....	2,175	49.9	( <sup>5</sup> )	( <sup>5</sup> )	28.0	( <sup>5</sup> )	( <sup>5</sup> )	.....	22.1
New York.....	17,405	56.8	.9	.8	16.7	( <sup>5</sup> )	( <sup>5</sup> )	.....	4.1
Philadelphia.....	6,906	24.1	.8	.3	29.2	1.2	1.9	18.3	5.1
Pittsburgh.....	6,697	47.7	1.2	.3	12.4	9.2	.6	17.4	.6
Rochester.....	723	22.1	.6	.....	38.7	8.3	7.8	1.9	20.6
San Francisco:									
State Relief Administration.....	3,435	49.6	( <sup>5</sup> )	( <sup>5</sup> )	14.9	( <sup>5</sup> )	( <sup>5</sup> )	6.4	( <sup>5</sup> )
Department of Charities.....	371	.....	13.5	.8	8.9	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
St. Louis.....	2,409	68.1	3.1	3.0	2.8	.4	.6	( <sup>5</sup> )	.2

<sup>1</sup> Includes small number of cases closed by transfer to Civilian Conservation Corps and National Youth Administration projects.<sup>2</sup> Includes cases transferred to aid to the blind, private relief, and cases closed for other reasons.<sup>3</sup> Not reported separately.<sup>4</sup> Data not available.<sup>5</sup> Less than 0.1 percent.

sulted in closing nearly 20 percent of the cases closed in Buffalo, Philadelphia, and Pittsburgh; and about 7 percent in Baltimore, Los Angeles (State Relief Administration), New York, and San Francisco (State Relief Administration).

In Buffalo, Los Angeles (State Relief Administration), Newark, and Philadelphia approximately one-fourth and in Rochester more than one-third of the cases closed were closed because employment was obtained in private industry. This reason also accounted for between 10 and 17 percent of the closings in Baltimore, Cleveland, New York, Pittsburgh, and San Francisco (State Relief Administration), but accounted for less than 10 percent in the other cities and as little as 2.8 percent in St. Louis.

In Los Angeles and San Francisco nearly one-sixth of the cases cared for by the Department of Charities were closed by transfer to old-age assistance, while in most of the other cities such transfers were not important in reducing the case load.

In Los Angeles a large number of unemployable cases, included under "All other reasons," were closed because their whereabouts were unknown or they had moved from the county. In Milwaukee cases closed because of failure to complete application after temporary aid had been given

accounted for the large percentage of cases closed because relief was no longer needed.

### Case Turn-Over

Case turn-over rates are shown in table 3. Detroit opened the largest proportion of general relief cases during the month—43.2 percent of the average daily case load—while Cleveland opened the smallest, 4.9 percent. The small proportion of cases opened in Cleveland and Chicago was a result of a shortage of relief funds for May.

Agencies in five cities—Baltimore, Philadelphia, Pittsburgh, San Francisco (Department of Charities), and St. Louis—opened more cases during May than they closed, while the reverse was true for the other city agencies.

The percentage of cases closed ranged from 8.2 percent of the average daily case load in Chicago and Rochester to 65.6 percent in Detroit.

In all the cities, except Baltimore, Buffalo, Milwaukee, Philadelphia, and Rochester, the turn-over rate for transfer to other relief status, such as Works Progress Administration, was higher than the rate for cases closed because relief was no longer needed. Five of the fifteen cities—Chicago, Cleveland, Detroit, Newark, and St. Louis—are in States not yet paying unemploy-

**Table 3.—Case turn-over related to the average number of cases open on any day during May 1938<sup>1</sup> in selected cities**

City or county agency	Turn-over rates				
	Cases opened during month	Cases closed during month			
		Total	Transfers to other relief status	Receipt of unemployment compensation	Relief no longer needed
Baltimore.....	16.2	12.6	4.2	0.9	7.1
Buffalo.....	8.6	13.5	3.4	2.7	7.0
Chicago.....	6.3	8.2	5.2	—	9
Cleveland.....	4.9	15.7	12.2	—	3.5
Detroit.....	43.2	65.6	48.3	—	5.4
District of Columbia.....	6.7	11.9	5.1	—	4.0
Los Angeles:					
State Relief Adm.....	18.9	24.6	12.5	1.7	6.3
Dept. of Charities.....	9.8	13.6	5.1	—	3.6
Milwaukee.....	26.7	36.0	14.4	1.3	18.9
Newark.....	11.3	14.6	7.3	—	7.3
New York.....	7.8	10.1	5.9	.7	2.1
Philadelphia.....	13.2	9.6	2.5	1.8	3.6
Pittsburgh.....	25.4	20.2	10.0	3.5	4.6
Rochester.....	7.1	8.2	1.9	.1	6.2
San Francisco:					
State Relief Adm.....	26.6	35.8	19.2	2.3	6.0
Dept. of Charities.....	11.2	10.8	5.0	—	( <sup>2</sup> )
St. Louis.....	38.6	37.7	28.4	—	1.5

<sup>1</sup> The base used is the average of the number open at the beginning of the month and the number open at the end of the month.

<sup>2</sup> Data not available.

ment benefits; in the other cities the turn-over rate for cases closed because of receipt of unemployment compensation was relatively small. The highest rate attributable to this reason—3.5 percent of the average daily case load—was in Pittsburgh.

#### **Net Change in Case Load Resulting From Works Progress Administration and Private Employment**

The number of general relief cases closed because of employment under the Works Progress Administration exceeded the number opened because of the loss of such employment in the 13 agencies reporting both items. This apparent gain to the general relief administration is partly offset, however, by an excess in the number of cases opened because of loss of private employment. The net change in the general relief case load resulting from these two factors is shown in table 4.

#### **Net Change Resulting From Unemployment Compensation**

In the three cities for which data were available, more cases were opened during May because of cessation of unemployment compensation than were closed because of its receipt. In Pittsburgh there was a net increase of 2,606 cases and in

Philadelphia and Milwaukee, respectively, an increase of 564 and 168 cases. A special report from Philadelphia indicates that the majority of the cases coming to the relief rolls after termination of the receipt of unemployment compensation had not received benefits for the maximum number of weeks because employment during the preceding period had been insufficient to build up maximum rights.

#### **Cases With Employable Persons not Employed**

Six agencies reported the number of open cases with employable persons certified to the Works Progress Administration for employment but not yet employed on the last day of the month, as shown in table 5. The proportion of such cases ranges from 7.7 percent in Chicago to 60.0 percent in Newark. In Los Angeles, Milwaukee, Newark, and San Francisco the agencies are also carrying considerable proportions of cases that include persons who are not eligible for employment under the Works Progress Administration but who are considered by the agency to be employable. (See table 5.)

#### **Cases in Which General Relief is Extended to Households Receiving Other Types of Assistance**

Table 6 shows that in Baltimore 29.9 percent of the cases receiving general relief were in households also receiving aid to dependent children; in other reporting cities not over 2.1 percent of the

**Table 4.—Net change in general relief case load because of private employment and employment under the Works Progress Administration in selected cities, May 1938**

City or county agency	Cases opened because of loss of or closed because of transfer to Works Progress Administration employment			Cases opened because of loss of or closed because of obtaining private employment		
	Opened	Closed	Net change	Opened	Closed	Net change
Baltimore.....	( <sup>1</sup> )	200	( <sup>1</sup> )	363	92	+271
Buffalo.....	92	494	-402	933	635	+298
Chicago.....	437	4,817	-4,380	3,394	676	+2,718
Cleveland.....	102	2,793	-2,691	632	481	+151
District of Columbia.....	0	57	-57	2	24	-22
Los Angeles:						
State Relief Adm.....	365	2,691	-2,326	2,734	1,339	+1,395
Dept. of Charities.....	0	11	-11	0	84	-84
Milwaukee.....	162	2,270	-2,108	1,964	465	+1,499
Newark.....	215	1,086	-871	1,131	608	+523
New York.....	718	9,856	-9,138	( <sup>1</sup> )	2,904	( <sup>1</sup> )
Philadelphia.....	1,592	1,599	-7	3,989	2,018	+1,971
Pittsburgh.....	780	3,181	-2,401	2,767	832	+1,935
Rochester.....	49	159	-110	374	280	+94
St. Louis.....	39	1,599	-1,560	261	68	+193

<sup>1</sup> Data not available.



Table 5.—General relief cases with employable persons not employed at end of May 1938, in selected cities

City or county agency	General relief cases open at end of May 1938				
	Total number	Percentage of total number—			
		With employable persons not employed	Certified to Works Progress Administration but not yet employed by Works Progress Administration	Not yet certified but eligible for certification under Works Progress Administration regulations	Not eligible for certification to Works Progress Administration but considered to be employable
Baltimore.....	5,857	22.1	22.1		
Chicago.....	93,944	<sup>1</sup> 39.3	7.7	( <sup>2</sup> )	( <sup>2</sup> )
Los Angeles, total.....	39,483	55.0	26.5	0.4	28.1
State Relief Administration.....	22,957	94.7	45.5	.8	48.4
Department of Charities.....	16,526				
Milwaukee.....	16,342	37.7	22.8		14.9
Newark.....	14,700	84.4	60.0	4.0	30.4
Philadelphia.....	72,979	76.8	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Pittsburgh.....	33,937	84.2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
San Francisco, total.....	12,533	60.4	24.0	5.3	31.1
State Relief Administration.....	9,102	83.2	33.0	7.3	42.9
Department of Charities.....	3,431				

<sup>1</sup> Based on cases receiving relief during the month.<sup>2</sup> Data not available.

cases of general relief represented households receiving aid to dependent children.

General relief was extended to cases in households receiving earnings from the Works Progress Administration in seven of the cities, and 25.7 percent of the general relief cases in Milwaukee were in such households. In other cities from 3.3 to 9.9 percent of the cases aided were in households where earnings from the Works Progress Administration were received.

### General Relief and Unemployment Compensation

In only four cities—Baltimore, Buffalo, Milwaukee, and New York—were figures available

Table 6.—General relief cases in households receiving other types of assistance in selected cities, May 1938

City or county agency	Total cases receiving relief	Percentage of general relief cases in households receiving specified types of assistance		
		Old-age assistance	Aid to dependent children	Works Progress Administration earnings <sup>1</sup>
Baltimore.....	6,164	1.3	29.9	6.0
Buffalo.....	17,883	2.2	1.1	5.7
Chicago.....	88,348	1.9	( <sup>2</sup> )	5.2
Detroit.....	42,743	.9		25.7
Milwaukee <sup>3</sup> .....	16,342	1.6	.1	3.3
Newark.....	15,364			8.0
New York.....	183,427	2.0	.8	9.9
Rochester.....	8,719	4.5	2.1	

<sup>1</sup> Includes cases in households receiving earnings from National Youth Administration projects or student aid and Civilian Conservation Corps earnings.

<sup>2</sup> Data not available.

<sup>3</sup> Analysis made for cases remaining open at end of month.

showing the number of cases in which general relief supplemented unemployment compensation. The percentage of the relief load represented by these cases was small in every instance: Baltimore, 3.4; Buffalo, 3.8; Milwaukee, 1.9; New York, 0.8.

Table 7.—Number of cases, amounts of general relief extended to cases, and proportions of cases of single persons in selected cities, May 1938

City or county agency	General relief during May 1938				
	Number of cases	Total obligations incurred for relief to cases	Average amount per case	Percentage of single-person cases	Average amount per single-person case
Baltimore.....	6,164	\$148,854	\$24.15	33.0	( <sup>1</sup> )
Buffalo.....	17,883	557,900	31.20	22.1	\$18.71
Chicago.....	<sup>2</sup> 88,348	<sup>2</sup> 2,131,389	24.12	43.9	12.70
Cleveland.....	21,965	303,112	13.80	( <sup>1</sup> )	( <sup>1</sup> )
Detroit.....	42,743	1,115,475	26.10	26.5	13.36
District of Columbia.....	2,363	61,302	25.94	52.8	19.07
Los Angeles:					
State Relief Adm.....	26,996	963,854	35.70	13.1	16.64
Dept. of Charities.....	18,659	422,265	22.63	60.7	16.57
Milwaukee.....	22,278	328,850	14.76	27.4	8.45
Newark.....	15,364	418,139	27.22	30.5	17.52
New York.....	183,427	7,008,479	38.21	32.2	25.33
Philadelphia.....	<sup>4</sup> 78,247	<sup>4</sup> 2,321,375	29.67	40.3	( <sup>1</sup> )
Pittsburgh.....	<sup>3</sup> 38,608	1,060,235	27.46	30.2	( <sup>1</sup> )
Rochester.....	8,719	289,699	33.23	16.7	16.24
San Francisco:					
State Relief Adm.....	10,961	261,880	23.89	44.7	18.64
Dept. of Charities.....	3,802	106,938	28.13	77.6	21.57
St. Louis.....	6,893	121,882	17.68	38.3	8.51

<sup>1</sup> Data not available.

<sup>2</sup> Includes 8,008 cases receiving aid from special departments: Transportation Service, 571; Children's and Minors' Service, 1,748; Nursing Home Service, 34; Veterans' Service, 2,924; Shelter Division, 2,731.

<sup>3</sup> Includes \$151,101 for cases receiving aid from special departments: Transportation Service, \$15,284; Children's and Minors' Service, \$38,812; Nursing Home Service, \$981; Veterans' Service, \$85,499; Shelter Division, \$10,525.

<sup>4</sup> Not comparable with average relief per case in April, because April data included such items as hospitalization, burials, and institutional care which are excluded in the May report.

<sup>5</sup> Includes duplications, since, in some cases, relief was issued more than once during the month.

Only Baltimore and Milwaukee reported general relief extended to cases during the waiting period for unemployment compensation; in both cities about 3 percent of the general relief cases were waiting for unemployment compensation.

### General Relief and Earnings From Private Employment

In six cities general relief is given to cases in which there are some earnings from private employment—that is, from employment other than that on a Federal or local work project. In Newark the proportion of general relief cases supplementing such earnings is more than one-fourth the entire general relief case load; in other cities the proportion ranges from less than 1 percent to more than 9 percent, as follows: Rochester, 0.8; Baltimore, 1.6; Detroit, 4.8; Milwaukee, 5.0; Buffalo, 9.4.

### Relief for May

The average amounts of relief per case, shown in table 7, range from \$13.80 in Cleveland to \$38.21 in New York, with a majority of the cities averag-

ing between \$20 and \$30 per case. The comparatively low average in Milwaukee—\$14.76—is partly the result of supplementing earnings and partly the result of the policy of providing food and clothing through a commissary operated by the county, the cost of which is not included in the amount of obligations incurred for relief. In Cleveland, because of a shortage of relief funds, reductions in budget have been necessary.

Large proportions of cases of single persons in the District of Columbia, the Los Angeles County Department of Charities, and the San Francisco Department of Charities affect the average per case in these cities.

In all reporting cities except Pittsburgh, where there was an increase of almost \$1 in the average per case, the average amount of relief per case was less in May than that reported for April. These decreases varied from \$0.14 in the District of Columbia to \$2.89 in Chicago. In no instance was the decrease over \$2 per case except in Chicago, where the decrease was accounted for by shortage of relief funds. After May 18 relief was distributed in that city on a reduced budgetary basis.

Table 8.—Summary of case load for general relief in selected cities, May 1938

City or county agency	Cases under care during May 1938						
	Continued from last month	Added during month	Total open for month			Closed during month	Remaining at end of month
			Total	Cases receiving relief	Cases not receiving relief		
Baltimore.....	5,649	931	6,580	6,164	416	723	5,857
Buffalo.....	17,468	<sup>1</sup> 1,463	18,931	17,883	998	<sup>1</sup> 2,295	16,636
Chicago.....	95,734	5,992	101,726	88,348	13,378	7,782	93,944
Cleveland.....	28,077	1,300	29,377	21,965	7,412	4,172	25,205
Detroit.....	36,308	14,097	50,405	42,743	7,662	21,423	28,982
District of Columbia.....	2,510	164	2,674	2,363	311	290	2,384
Los Angeles:							
State Relief Administration.....	24,426	<sup>2</sup> 4,489	28,915	26,996	1,919	5,837	23,078
Department of Charities.....	17,165	1,657	18,822	<sup>3</sup> 16,791	2,031	2,296	16,526
Milwaukee.....	17,933	4,577	22,510	22,278	232	6,168	16,342
Newark.....	15,190	1,685	16,875	15,364	1,511	2,175	14,700
New York.....	174,333	13,423	187,756	183,427	4,329	17,405	170,351
Philadelphia.....	70,434	<sup>4</sup> 9,451	79,885	78,247	1,638	6,906	72,979
Pittsburgh.....	32,228	<sup>4</sup> 8,406	40,634	38,608	2,026	6,607	33,937
Rochester.....	8,823	623	9,446	8,719	727	723	8,723
San Francisco:							
State Relief Administration.....	10,036	2,556	12,592	10,961	1,631	3,435	9,157
Department of Charities.....	3,419	383	3,802	3,802	0	371	3,431
St. Louis.....	6,364	2,465	8,829	6,893	1,936	2,409	6,420

<sup>1</sup> Includes 50 cases closed and reopened the same month for supplementation.

<sup>2</sup> Includes 23 cases transferred from the State Relief Administration camp program.

<sup>3</sup> In addition, there were 1,868 cases receiving general relief in households in which aid to dependent children was also received which were not counted in the open case load by this agency.

<sup>4</sup> Applies to approvals finally effected during the month and differs from acceptances.

# RELIEF IN RURAL AND TOWN AREAS\*

## FOR APRIL 1938

Total obligations of almost \$3.5 million were incurred for relief extended to 205,300 cases in 385 rural and town areas in 36 States for April 1938. This was the first month since last July in which there was a decrease in the total amount of relief extended. For April the total relief bill dropped 5.9 percent as compared with March. There was a somewhat smaller decline in the number of cases—slightly less than 5 percent. These data were obtained from reports received by the Social Security Board from 1,243 public and private agencies in the selected areas; the population of these sample areas in 1930 comprised 11.5 percent of the rural and town population of the United States.<sup>1</sup> All public and private relief extended to cases, except earnings under the Works-Program and the Civilian Conservation Corps, is included in these figures. Nearly all—99.7 percent—of the relief granted was public

relief; only about 4,000 cases received \$10,700 in the form of private relief.

A considerable decrease in general relief, both in number of cases and in amount of relief extended, occurred during April 1938 as compared with the previous month; the number of cases declined 14.8 percent and the amount of relief, 19.0 percent. General relief comprised about one-fourth of the total relief bill for April. Slight increases occurred in the three special types of assistance—1.0 percent in the number of cases and 0.6 percent in the amount of relief. Two-thirds of the total amount expended for relief was spent for the three special types of public assistance. By far the largest part expended for these special types of assistance, more than four-fifths, was for old-age assistance; the next largest part, less than one-sixth, was for aid to dependent children, and the remainder, for aid to the blind. There were increases of approximately 2 percent in the number of cases receiving aid to the blind and aid to

\*Prepared in the Bureau of Research and Statistics, Division of Public Assistance Research.

<sup>1</sup> Fifteenth Census of the United States: 1930; Population, Vol. 1.

Chart I.—Obligations incurred for rural and town relief

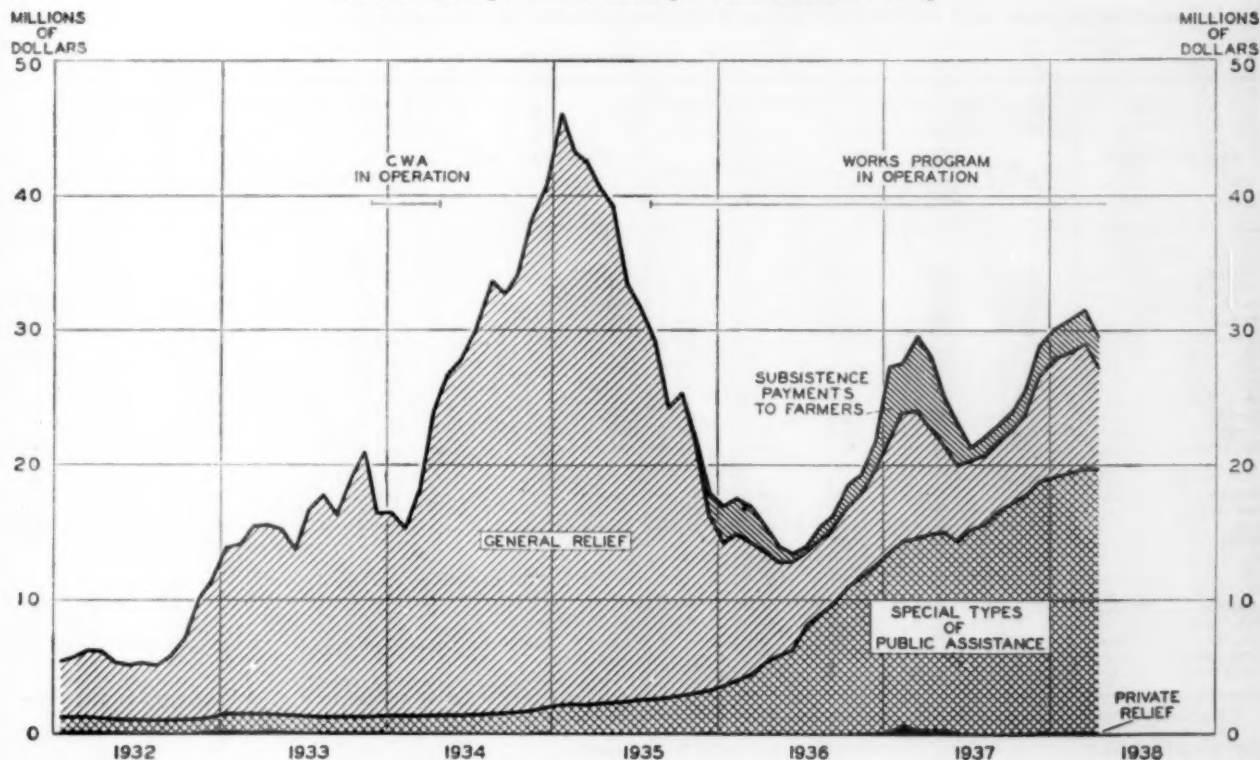




Chart II.—Index of obligations incurred for rural and town relief

[Average month, July 1935-June 1936=100]

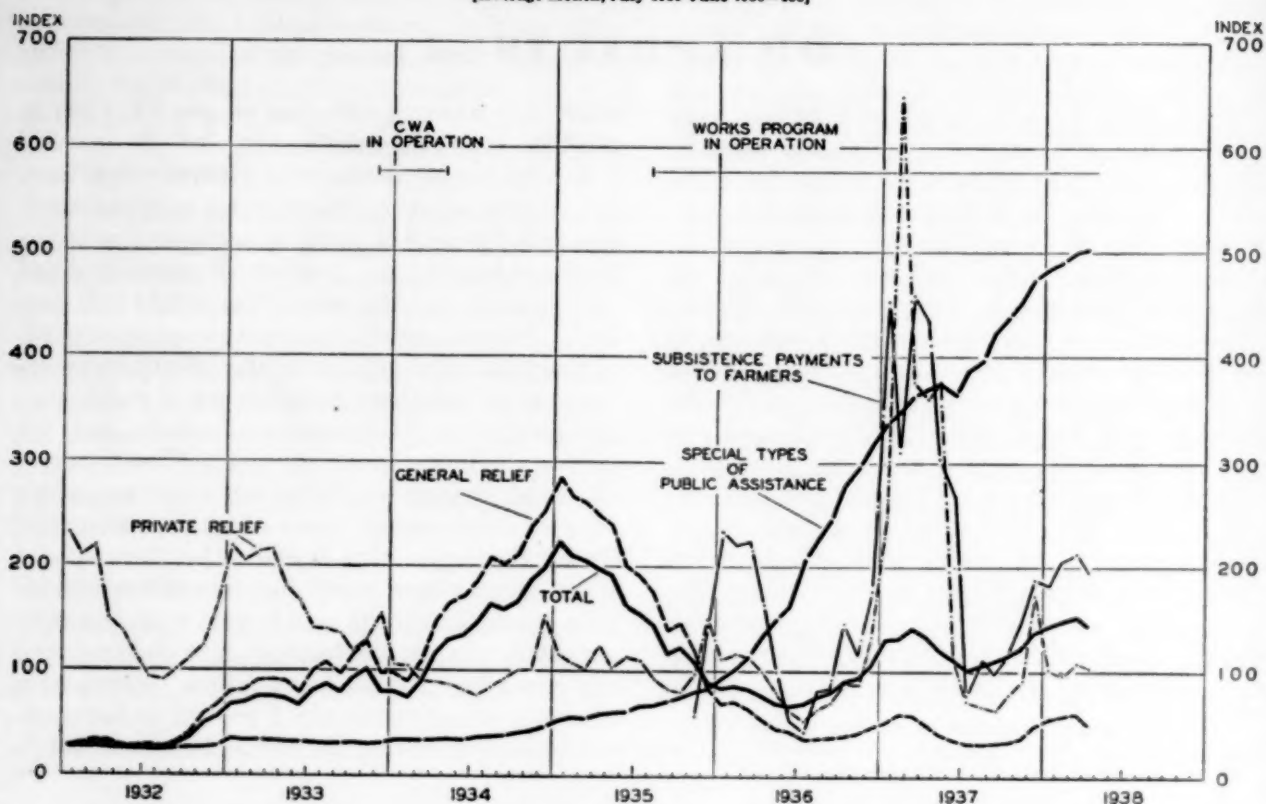


Table 1.—Relief in rural and town areas: Index of amount of relief, by type of assistance and by months, 1935-38<sup>1</sup>

[Average month, July 1935-June 1936=100]

Index of amount of relief in rural and town areas					Index of amount of relief in rural and town areas				
Year and month	Total	Public general relief <sup>2</sup>	Special types of public assistance	Subsistence payments to farmers	Private relief	Year and month	Total	Public general relief <sup>2</sup>	Special types of public assistance
1935					1937				
January.....	223.7	285.6	53.3	-----	110.6	January.....	133.3	55.1	337.6
February.....	209.9	266.5	56.0	-----	107.6	February.....	132.5	59.1	348.1
March.....	205.7	261.0	55.6	-----	101.6	March.....	141.6	58.3	363.1
April.....	197.5	249.0	59.0	-----	125.4	April.....	134.8	49.8	370.0
May.....	191.4	240.6	60.8	-----	103.1	May.....	121.3	40.8	375.2
June.....	162.6	201.6	61.7	-----	113.2	June.....	111.5	35.3	365.4
July.....	154.8	189.9	66.2	-----	109.3	July.....	102.0	32.1	388.1
August.....	143.0	174.1	67.2	-----	93.6	August.....	106.4	32.6	399.0
September.....	117.8	139.3	70.8	-----	83.3	September.....	110.3	33.2	424.1
October.....	123.6	146.2	74.5	-----	80.9	October.....	114.8	33.5	439.4
November.....	109.4	121.2	79.9	57.1	97.3	November.....	123.0	38.1	454.3
December.....	88.5	84.9	83.3	143.4	150.2	December.....	138.4	48.9	476.6
1936					1938				
January.....	83.1	68.4	92.8	234.1	111.4	January.....	145.0	56.4	487.1
February.....	85.6	70.5	101.7	221.9	117.0	February.....	149.2	58.8	492.5
March.....	83.3	63.9	114.3	225.7	113.8	March.....	152.2	60.1	499.9
April.....	76.1	54.0	134.8	165.1	99.8	April.....	143.2	48.7	502.9
May.....	68.7	45.0	151.3	99.6	80.6				
June.....	66.2	42.5	163.2	53.2	62.7				
July.....	68.6	35.3	207.8	42.4	53.3				
August.....	75.3	35.8	228.5	81.1	63.9				
September.....	79.5	36.9	245.8	83.7	69.9				
October.....	90.1	37.9	277.5	146.3	88.3				
November.....	94.0	40.4	297.2	116.1	87.8				
December.....	106.1	46.5	317.3	177.4	134.0				

<sup>1</sup> For monthly index numbers for 1932, 1933, and 1934, see *Social Security Bulletin*, Vol. 1, Nos. 1-3 (March 1938), p. 68.

<sup>2</sup> Figures prior to January 1938 include statutory aid to veterans administered on basis of status and of need. Beginning with January 1938, figures include only such aid administered on basis of need. The index has been adjusted for this change.

**Table 2.—Relief in 385 rural and town areas: Amount, cases aided, percentage change, and percentage distribution, by type of assistance, April 1938**

[Corrected to June 10, 1938]

Type of assistance	Relief in 385 rural and town areas, April 1938					
	Number of cases	Amount of relief	Percentage change from March 1938 in—		Percentage distribution of relief in—	
			Number of cases	Amount of relief	April 1938	March 1938
Total for 385 areas in 36 States.....	205,301	\$3,447,400	-4.6	-5.9	100.0	100.0
Public relief, total.....	<sup>1</sup> 201,327	<sup>2</sup> 3,436,731	-4.6	-5.9	99.7	99.6
General relief.....	<sup>3</sup> 60,582	<sup>4</sup> 855,696	-14.8	-19.0	24.8	28.5
Special types of public assistance <sup>5</sup> .....	128,805	2,256,125	+1.0	+6	65.5	61.4
Old-age assistance.....	111,148	1,857,263	+8	+8	53.9	50.5
Aid to dependent children.....	14,822	337,076	+2.2	( <sup>6</sup> )	9.8	9.2
Aid to the blind.....	2,835	61,786	+2.4	-8	1.8	1.7
Subsistence payments to farmers.....	<sup>7</sup> 15,647	<sup>7</sup> 324,910	-7.2	-8.4	9.4	9.7
Private relief.....	3,974	10,669	-2.8	-4.3	.3	.4

<sup>1</sup> Eliminates duplication in the count of cases receiving more than 1 type of public relief.

<sup>2</sup> From Federal, State, and local funds; administrative expense excluded.

<sup>3</sup> Includes 1,167 cases receiving statutory aid to veterans administered on basis of need.

<sup>4</sup> Includes \$22,575 incurred for statutory aid to veterans administered on basis of need.

<sup>5</sup> Includes special types of public assistance in States with plans approved by the Social Security Board and in other States without Federal participation.

<sup>6</sup> Less than 0.05 percent.

<sup>7</sup> Estimated.

**Table 3.—Relief in 385 rural and town areas: Number of cases receiving relief and percentage change from previous month, by States, April 1938**

[Corrected to June 10, 1938]

State	Relief in 385 rural and town areas, April 1938							Percentage change in total from March 1938
	Total	Public relief				Private relief		
		General relief	Special types of public assistance <sup>1</sup>				Subsistence payments to farmers <sup>2</sup>	
			Old-age assistance	Aid to dependent children	Aid to the blind			
Alabama (6 counties).....	1,985	180	1,234	467	37	50	17	-0.3
Arizona (3 counties).....	<sup>3</sup> 2,830	439	954	280	29	1,180	90	+65.5
Arkansas (10 counties).....	2,941	416	1,902	517	86	20		-1.1
California (10 counties).....	<sup>3</sup> 3,083	5,265	5,276	759	219	1,105	581	-5.2
Colorado (8 counties).....	<sup>3</sup> 3,555	920	2,588	282	45	115		-2.6
Connecticut (40 townships).....	<sup>3</sup> 1,472	682	801	19	5	1		-4.0
Florida (6 counties).....	4,244	806	2,734	416	102	45	141	-1.5
Georgia (16 counties).....	<sup>3</sup> 3,276	323	2,469	344	87	15	277	-1.4
Illinois (11 counties).....	15,464	6,566	7,859	424	316	165	134	-5.3
Indiana (9 counties).....	6,862	3,107	2,785	690	169	5	106	-8.0
Iowa (9 counties).....	<sup>3</sup> 6,277	<sup>4</sup> 2,324	3,681	224	53	5	42	-7.5
Kansas (13 counties).....	<sup>3</sup> 5,167	1,573	1,906	408	60	1,180	281	-9.4
Kentucky (12 counties).....	2,599	92	2,476			5	26	-3.1
Louisiana (10 parishes).....	5,581	703	3,747	1,003	81	10	37	+1.2
Massachusetts (23 townships).....	<sup>3</sup> 1,517	<sup>4</sup> 604	969	78	7	1	1	-3.4
Michigan (11 counties).....	<sup>3</sup> 12,448	<sup>4</sup> 6,222	5,072	907	21	80	175	-6.4
Minnesota (12 counties).....	9,941	<sup>4</sup> 2,522	6,621	492	57	205	44	-5.6
Mississippi (10 counties).....	2,536	168	1,698			30	640	+3.3
Missouri (12 counties).....	10,542	4,586	5,229	141	312	185	89	-8.6
Montana (8 counties).....	<sup>3</sup> 3,079	947	1,310	254		675	3	-3.5
Nebraska (8 counties).....	4,265	<sup>4</sup> 760	2,169	388	46	845	57	-11.2
New York (7 counties).....	<sup>3</sup> 9,472	4,647	4,597	402	76	10		-5.1
North Carolina (12 counties).....	<sup>3</sup> 3,766	461	2,557	600	188	10		+3.5
North Dakota (7 counties).....	<sup>3</sup> 8,003	1,272	1,157	114	14	3,900	18	-10.3
Ohio (9 counties).....	11,233	<sup>4</sup> 3,491	6,421	542	130	45	604	-6.0
Oklahoma (9 counties).....	12,353	<sup>4</sup> 3,488	6,964	1,573	226	25	77	-1.5
Oregon (6 counties).....	2,304	<sup>4</sup> 713	1,397	128	40	10	16	+3.3
South Carolina (8 counties).....	<sup>3</sup> 3,897	245	2,632	339	106	560	37	-6.4
South Dakota (9 counties).....	6,594	454	1,923	276	8	3,930	3	-7.1
Tennessee (9 counties).....	<sup>3</sup> 2,942	105	1,943	742	88	5	63	+2.3
Texas (26 counties).....	11,062	646	10,311			30	75	+7
Utah (5 counties).....	<sup>3</sup> 1,437	264	1,023	292	27	30		-7.5
Virginia (13 counties).....	1,635	1,574		8		35	18	-2.3
Washington (6 counties).....	<sup>3</sup> 4,008	<sup>4</sup> 1,128	2,554	543	64	55	85	-22.7
West Virginia (4 counties).....	<sup>3</sup> 2,322	903	913	443	36	5	110	-9.4
Wisconsin (8 counties).....	<sup>3</sup> 6,609	<sup>4</sup> 1,896	3,276	727	130	1,045	127	-7.4

<sup>1</sup> Includes recipients in States with plans approved by the Social Security Board and in other States without Federal participation.

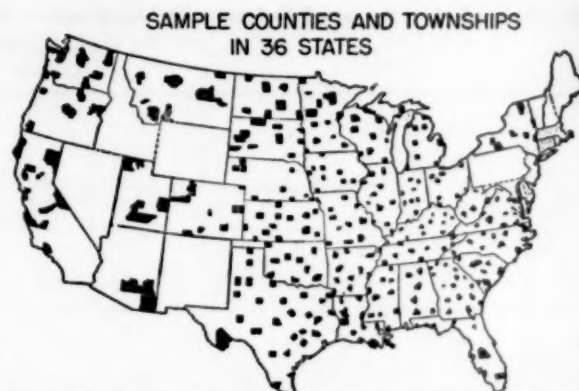
<sup>2</sup> Estimated.

<sup>3</sup> Eliminates duplication in the count of households receiving more than 1 type of public relief.

<sup>4</sup> Includes a relatively small number of cases receiving statutory aid to veterans administered on basis of need.

dependent children, but only a slight increase—less than 1 percent—in the number of recipients of old-age assistance. Subsistence payments to farmers, which formed about one-tenth of the total relief bill, decreased both in number and amount.

Although the total relief bill in April 1938 was almost 6 percent lower than that for the previous month, it was more than 6 percent higher than for the same month a year ago. The index for April 1938, based on the average monthly amount during the year July 1935–June 1936, was 143.2 as compared with 134.8 for April 1937. The increase in the total relief bill was the result of the increase of 36 percent over the year's period in the three special types of public assistance. The other types of relief show declines when a comparison is made between April 1937 and April 1938. General relief from public funds, with a decline



Reports cover entire counties in all States sampled except Massachusetts and Connecticut where individual townships are represented. Although the sample counties and townships are predominantly rural, some of them include towns and small cities ranging in size up to 25,000 population. The population of the sample areas in 1930 was approximately 6,514,000 or 11.5 percent of the total rural and town population of the United States.

of 2.2 percent, showed the least change. Subsistence payments to farmers declined 55 percent. An even larger decrease—about 71 percent—occurred in the amount of private relief disbursed.

Table 4.—Relief in 385 rural and town areas: Amount of relief and percentage change from previous month, by States, April 1938

[Corrected to June 10, 1938]

Relief in 385 rural and town areas, April 1938								
State	Total	Public relief <sup>1</sup>				Private relief	Percentage change in total from March 1938	
		General relief	Special types of public assistance <sup>2</sup>					Subsistence payments to farmers <sup>3</sup>
			Old-age assistance	Aid to dependent children	Aid to the blind			
Alabama (6 counties)	\$19,811	\$1,373	\$11,541	\$4,754	\$347	\$1,735	\$61	-3.6
Arizona (3 counties)	62,622	6,010	23,582	8,669	688	23,355	318	+66.8
Arkansas (10 counties)	26,527	2,466	17,390	5,406	795	470		-4
California (10 counties)	371,102	126,434	174,646	27,103	10,562	30,515	1,842	-7.2
Colorado (8 counties)	92,167	12,436	69,511	7,510	1,235	1,475		-9
Connecticut (40 townships)	38,724	17,937	19,946	723	88	30		-7.8
Florida (6 counties)	55,028	5,709	43,106	2,851	1,579	995	788	+1.3
Georgia (16 counties)	31,775	1,479	21,487	7,131	904	328	449	-2.7
Illinois (11 counties)	226,853	81,762	124,584	7,991	9,375	2,605	836	-10.4
Indiana (9 counties)	91,683	34,725	37,607	15,753	3,243	90	265	-8.6
Iowa (9 counties)	115,891	* 37,503	72,578	4,319	1,295	130	66	-7.4
Kansas (13 counties)	91,492	22,732	36,192	10,992	1,376	19,330	870	-8.6
Kentucky (12 counties)	22,358	568	21,616			100	74	-2.1
Louisiana (10 parishes)	57,294	7,189	32,815	16,019	974	215	82	+1.2
Massachusetts (23 townships)	45,857	* 14,913	26,988	3,763	122	30	41	-1.8
Michigan (11 counties)	209,911	* 95,705	85,852	25,982	426	1,430	516	-10.3
Minnesota (12 counties)	190,458	* 51,070	119,419	15,024	1,145	3,500	300	-7.0
Mississippi (10 counties)	9,739	411	7,097			550	1,081	+5.1
Missouri (12 counties)	119,661	26,535	78,489	3,962	7,800	2,625	250	+3
Montana (8 counties)	66,802	18,130	25,826	6,946		15,885	15	-3.8
Nebraska (8 counties)	69,410	* 10,674	32,331	10,420	922	14,880	183	-12.0
New York (7 counties)	202,437	94,448	90,723	15,507	1,494	265		-7.3
North Carolina (12 counties)	37,530	2,949	22,595	9,584	2,217	185		+6.0
North Dakota (7 counties)	139,700	27,266	18,625	3,707	233	89,760	109	-7.5
Ohio (9 counties)	194,380	* 37,801	137,645	15,715	2,522	840	357	-4.7
Oklahoma (9 counties)	130,550	* 18,471	104,879	24,056	2,576	475	93	-6.2
Oregon (6 counties)	41,832	* 9,369	26,951	4,208	976	255	73	+2.0
South Carolina (8 counties)	46,616	2,309	25,469	6,761	1,268	10,750	59	-10.6
South Dakota (9 counties)	127,560	7,599	37,187	4,311	178	78,000	15	-10.0
Tennessee (9 counties)	36,099	484	23,375	13,662	1,271	90	217	+1.9
Texas (26 counties)	139,264	4,095	134,464			550	155	+5
Utah (5 counties)	40,193	4,025	26,477	8,361	730	600		-7.5
Virginia (13 counties)	11,243	10,418		149		545	131	-2
Washington (6 counties)	95,490	* 16,459	58,416	16,555	2,193	1,695	172	-24.4
West Virginia (4 counties)	36,085	12,989	12,665	9,114	628	120	569	+6.2
Wisconsin (8 counties)	130,256	* 31,453	54,619	20,068	2,624	20,510	992	-7.7

<sup>1</sup> From Federal, State, and local funds, administrative expense excluded.

<sup>2</sup> Includes obligations incurred for payments to recipients in States with plans approved by the Social Security Board and in other States without Federal participation.

<sup>3</sup> Estimated.

<sup>4</sup> Includes a relatively small amount of statutory aid to veterans administered on basis of need.



# OLD-AGE INSURANCE

BUREAU OF OLD-AGE INSURANCE • ANALYSIS DIVISION

IN COOPERATION WITH THE

BUREAU OF RESEARCH AND STATISTICS • DIVISION OF OLD-AGE BENEFITS RESEARCH

## *Tabulations of 1937 Employer and Employee Data*

The first run of employer cards for 1937 is now in progress, in accordance with plans worked out by the Baltimore Accounting Operations Section and the Statistics Section of the Analysis Division, as announced in the last issue of the Bulletin. The first tabulation will give a break-down of employing organizations by internal revenue districts, States, and regions, and by size of firm as measured by number of employees. The tabulation for the first half of 1937 was finished at the end of June and that for the second half will be finished by the middle of July or soon thereafter.

Substantial progress has been made in the preparations for the second run, which breaks down the consolidated reports from multi-unit employers by industry and by geographical areas within the States. The new geographical code, providing for break-downs by State, county, and city, has been completed and is now being punched on the employer cards. A combination industrial code has been worked out as a basis for estimating the break-downs by industry of the employment and payroll figures of multi-unit organizations; and a card is being prepared for tabulating information relative to the branch establishments of such employers.

Earnings cards for individual workers in covered employment in 1937 are now being summarized, and preparation of statistical cards from these summary cards will shortly begin.

## *Maintenance of Wage Records*

As of May 31, 1938, 36.7 million individual wage reports (Form SS-2a) for the first half of 1937 and 36.6 million for the second half had been received in Baltimore. Data have been coded and punched for practically all the wage reports for the first half of 1937 and for 36.3 million of the reports received for the second half.

As of May 31, 1938, 35.3 million of these 73.0 million punch cards had been mechanically compared (collated) with employee master cards to

verify identity, and 32.2 million<sup>1</sup> had been posted to individual ledger sheets.

Approximately 1 million wage reports for the first reporting quarter of the calendar year 1938 had been received in Baltimore as of May 31.

## *Social Data Available From Information Filed in the Adjudication of Claims*

An important source of statistical data is found in the various forms used in the process of developing and adjudicating claims. In order to ascertain the completeness with which the various items of information are returned on these forms and to establish the feasibility of deriving statistical data to serve as the basis for study and analysis of the characteristics of the wage earners or their heirs or payees who file claims under the old-age insurance program, a special study was made of the death claims certified during March 1938 and the life claims certified during April 1938. From this sample study it was found that many of the questions are worded and answered adequately for statistical purposes but that other questions as well as the instructions for answering them need clarification.

The items that were tabulated in the sample study included the personal or so-called social characteristics of the wage earners themselves, including occupation, sex, color, age, and number of children; certain facts concerning the heirs or payees; and last illness and funeral expenses for the death claims only. Experience with this material has led to the development of a plan to tabulate selected information for all the life and the death claims filed to date and to continue this tabulation perhaps on a quarterly basis. For death claims, a continuing tabulation may be expected to yield significant information as to the age of the wage earner at death, his occupation, and the cause of his death, together with other facts important to the administration of the old-age insurance program.

For life claims such a tabulation completed periodically may yield information as to the seasonal birth rate 65 years ago when birth regis-

<sup>1</sup> As of June 17 a total of 43.4 million earnings cards had been posted.

tration was not provided for except in a very few localities. This is one of the items available from claims data for which no other source of information has been available.

### Applications for Employee Account Numbers

In recent months, receipts of applications for employee account numbers have shown substantial, though irregular, decreases. In May 1938 only 406,745 such applications were received in Baltimore, a decrease of 11.9 percent from the previous month and the lowest number yet received in any one month. The cumulative total of applications received as of May 31 was 39,106,321, of which the May receipts constituted only 1 percent.

Alaska, with 483 applications, or 2.8 percent of its cumulative total, showed the highest receipts in May in comparison with its cumulative total. Following closely were Kentucky, Mississippi, and North Dakota, each with 2 percent of the cumulative totals.

The regions from which the highest numbers of employee applications were received in May were Region V (Kentucky, Michigan, and Ohio), with 49,356, and Region II (New York), with 46,216. Region VII, comprising Alabama, Florida, Georgia, Mississippi, South Carolina, and Tennessee, ranked third, with a total of 45,410.

### Claims for Lump-Sum Payments

In May 1938, 17,948 claims for lump-sum payments were received in Washington. This is the smallest number received in any month since last November. In 1937 the number of claims received increased in nearly every month, reaching a peak in December, when 20,683 were received. In the early months of 1938, however, there was an irregular decline, until in May 13.2 percent fewer claims were received than in the peak month of December 1937.

There were 17,311 claims certified for payment during May. As of May 31, 1938, a total of 164,968 claims had been received in Washington, of which 91.9 percent, or 151,608 claims, had been certified to the Secretary of the Treasury for payment. The total time required to settle claims, from the date of receipt in field offices of the Board to the date of issuance of checks to the claimants by the Treasury, averaged 41.1 days in December 1937; by May 1938 the average

Table 1.—Applications for employee account numbers received in Baltimore as of May 31, 1938<sup>1</sup>

State	Number of applications received <sup>2</sup>	
	Cumulative through May 31	May
Total	39,106,321	406,745
Alabama	535,917	7,652
Alaska	17,413	483
Arizona	138,759	2,257
Arkansas	264,423	4,485
California	2,484,226	31,465
Colorado	301,242	2,899
Connecticut	651,522	3,565
Delaware	88,023	983
District of Columbia	245,927	2,937
Florida	556,037	6,862
Georgia	679,361	8,785
Hawaii	124,179	89
Idaho	125,163	2,302
Illinois	2,769,879	21,222
Indiana	1,048,830	6,676
Iowa	495,461	5,458
Kansas	399,994	5,453
Kentucky	581,323	11,457
Louisiana	516,716	9,989
Maine	262,190	2,956
Maryland	552,250	5,361
Massachusetts	1,646,889	7,293
Michigan	1,833,537	10,946
Minnesota	699,872	9,460
Mississippi	287,341	5,816
Missouri	1,052,045	14,568
Montana	144,665	2,741
Nebraska	264,606	3,959
Nevada	37,296	641
New Hampshire	168,638	1,565
New Jersey	1,444,112	14,671
New Mexico	91,887	1,618
New York	5,399,514	46,216
North Carolina	776,009	8,651
North Dakota	88,121	1,793
Ohio	2,344,636	26,953
Oklahoma	533,206	6,649
Oregon	322,808	3,688
Pennsylvania	3,396,528	25,181
Rhode Island	282,115	1,055
South Carolina	406,559	4,818
South Dakota	101,692	1,857
Tennessee	622,047	11,477
Texas	1,588,905	23,956
Utah	144,417	1,482
Vermont	91,536	964
Virginia	591,817	7,643
Washington	544,577	6,932
West Virginia	529,077	4,539
Wisconsin	800,558	5,709
Wyoming	62,477	778

<sup>1</sup> The count of employee applications must not be taken as a measure of the number of persons engaged currently in employment covered by the old-age benefits provisions of the Social Security Act or the cumulative total of persons who have been so engaged over a period of time. As an aid in the administration of State unemployment compensation laws and for other reasons, account numbers have been issued to individuals who were not in employment covered by title II at the time their applications were made.

<sup>2</sup> The figures for receipts are obtained by subtracting all "voids" (cards rejected for various reasons) from the actual number received. These "voids" may have been received during the current month, or in any previous month.

Source: Bureau of Old-Age Insurance, Baltimore Accounting Operations.

time required had decreased to an average of only 24.4 days.

Although the number of claims received during 1938 has shown an unexpected tendency toward stabilization, the rising trend in the average amount certified for payment has continued. The average amount certified in May 1938 was

\$46.57, an increase of 9.4 percent over the average payment made in April, and of 71.5 percent over the average amount certified last December—\$27.15. As the value of individual claims rises, a greater proportion of persons eligible for payments may be expected to file claims.

The average payments certified for claims at age 65 and for death claims have been approxi-

mately the same until very recently. The average over the entire period since payments began is \$33.53 for claims at age 65 and \$33.19 for death claims. April was the first month in which there was an appreciable difference in the average payments certified for claims at 65 and at death. In May the difference increased; the average amount certified for payment at age 65 was

**Table 2.—Old-age insurance: Number of claims for lump-sum payments received in Washington, and number and average amount of claims certified by the Social Security Board to the Secretary of the Treasury, by States, May 1938<sup>1</sup>**

State	Total claims			Claims for payments at age 65			Claims for death payments		
	Number of claims		Average amount certified	Number of claims		Average amount certified	Number of claims		Average amount certified
	Received	Certified		Received	Certified		Received	Certified	
Cumulative through May 31.....	164,968	151,608	\$33.35	74,905	69,678	\$33.53	90,063	81,930	\$33.19
Total for May.....	17,948	17,311	46.57	7,544	7,301	50.27	10,404	10,010	43.87
Alabama.....	307	285	27.04	70	57	30.52	237	228	24.67
Alaska.....	2	5	37.43	0	0		2	5	37.43
Arizona.....	75	58	42.26	32	17	38.51	43	41	43.82
Arkansas.....	105	129	29.11	33	38	32.88	72	91	27.53
California.....	1,381	1,220	45.44	622	511	46.50	759	709	44.67
Colorado.....	113	100	40.96	42	33	53.03	71	67	35.01
Connecticut.....	372	372	55.50	181	180	62.80	191	192	48.66
Delaware.....	38	38	41.46	24	25	40.00	14	13	44.26
District of Columbia.....	92	84	42.96	40	34	49.08	52	50	38.80
Florida.....	178	193	34.78	68	60	40.47	110	133	32.21
Georgia.....	231	235	35.15	53	69	43.49	178	166	31.69
Hawaii.....	33	32	49.03	13	15	27.66	20	17	67.80
Idaho.....	49	55	35.11	23	24	30.24	26	31	38.88
Illinois.....	1,263	1,202	54.69	541	539	56.48	722	663	53.22
Indiana.....	513	459	47.93	245	237	47.41	268	222	48.48
Iowa.....	199	214	47.26	111	135	43.66	88	79	53.42
Kansas.....	183	182	39.24	86	77	48.84	97	105	32.19
Kentucky.....	268	248	34.49	101	86	36.31	167	162	33.53
Louisiana.....	245	225	35.37	60	63	42.93	185	162	32.42
Maine.....	169	173	38.31	90	87	43.08	79	86	33.49
Maryland.....	256	250	42.69	119	129	38.51	137	121	47.15
Massachusetts.....	872	883	50.26	453	455	52.75	419	428	47.60
Michigan.....	747	726	51.92	308	293	53.91	439	433	50.57
Minnesota.....	276	261	44.20	135	122	47.35	141	139	41.43
Mississippi.....	98	85	25.79	14	16	40.50	84	69	22.38
Missouri.....	481	487	43.05	223	230	49.28	258	257	37.48
Montana.....	73	70	43.54	28	24	47.39	45	46	41.53
Nebraska.....	117	107	36.26	49	54	36.55	68	53	35.95
Nevada.....	34	29	50.44	16	15	50.86	18	14	49.99
New Hampshire.....	88	89	37.62	40	44	35.68	48	45	39.52
New Jersey.....	608	615	64.63	264	266	66.09	344	349	63.52
New Mexico.....	29	20	33.70	10	8	33.04	19	12	34.14
New York.....	2,237	2,195	53.93	947	939	56.62	1,290	1,256	51.91
North Carolina.....	300	319	24.93	78	73	30.76	222	246	23.20
North Dakota.....	23	16	40.60	8	8	66.54	15	8	14.66
Ohio.....	1,121	1,084	50.99	510	508	52.66	611	576	49.52
Oklahoma.....	169	164	40.49	58	59	43.73	111	105	38.66
Oregon.....	225	205	40.52	97	79	39.69	128	126	41.04
Pennsylvania.....	1,582	1,557	52.80	711	704	55.70	871	853	50.40
Rhode Island.....	138	133	48.97	61	58	58.39	77	75	41.68
South Carolina.....	173	152	24.87	46	32	24.33	127	120	25.02
South Dakota.....	42	39	38.77	13	11	50.63	29	28	34.11
Tennessee.....	275	273	28.96	73	75	37.02	202	198	25.91
Texas.....	694	641	32.31	204	220	31.88	490	421	32.54
Utah.....	61	58	50.98	22	19	60.38	39	39	46.40
Vermont.....	51	44	35.97	20	18	43.21	31	26	30.96
Virginia.....	281	244	39.05	102	82	55.96	179	212	32.51
Washington.....	417	394	39.99	227	179	42.09	190	165	37.72
West Virginia.....	280	274	37.23	97	103	35.10	183	171	38.52
Wisconsin.....	347	350	54.11	167	177	55.16	180	173	53.04
Wyoming.....	21	27	47.10	9	14	48.41	12	13	45.69
Foreign <sup>2</sup> .....	16	11	38.57	0	0	0	16	11	38.57

<sup>1</sup> All claims received to date have been for lump-sum payments amounting to 3½ percent of total taxable wages. This is the only type of claim payable before Jan. 1, 1942.

<sup>2</sup> Claims received from persons in foreign countries.

Source: Bureau of Old-Age Insurance, Administrative Division.



\$50.27 and for payment at death was \$43.87. Comparison of these two averages with the figures for April shows a rise of 10.2 percent in payments at age 65 and 8.8 percent in payments at death.

### Recent Applicants for Employee Account Numbers

Distribution by age, sex, and color of the persons whose applications for employee account numbers were added to the Baltimore files in May show but small differences from the corresponding distributions of the applicants in the first

**Table 3.—Percentage distribution by sex and color of applicants for employee account numbers, for the periods January–March, April, and May, 1938**

Sex and color	Applicants for account numbers		
	January–March	April	May
Sex, total.....	100.0	100.0	100.0
Male.....	68.3	66.0	66.3
Female.....	31.7	34.0	33.7
Color, total.....	100.0	100.0	100.0
White.....	84.0	85.4	84.9
Negro.....	14.8	12.8	13.6
Other.....	1.2	1.8	1.5

quarter of this year or during April. The differences previously noted by comparison with the 11-million sample are therefore still conspicuous.<sup>1</sup>

<sup>1</sup> See *Social Security Bulletin*, Vol. 1, No. 5 (May 1938), pp. 52–54.

**Table 5.—Distribution of applicants for employee account numbers, by age, sex, and color, United States summary, May 1938<sup>1</sup>**

Age group (years)	Male applicants				Female applicants			
	Total	White	Negro	Other	Total	White	Negro	Other
All ages.....	301,122	252,223	43,903	4,996	152,672	132,609	18,129	1,934
Under 20.....	56,852	49,151	7,233	468	33,323	30,970	2,095	258
20–24.....	52,628	42,702	9,225	701	32,986	28,805	3,706	475
25–34.....	62,705	49,295	11,949	1,461	39,401	32,822	6,112	467
35–44.....	44,758	36,416	7,354	988	23,879	19,971	3,649	259
45–54.....	35,874	30,789	4,407	678	14,060	12,212	1,698	150
55–64.....	23,304	20,759	2,168	377	8,900	5,261	584	85
65 and over.....	24,169	22,677	1,190	302	2,690	2,247	175	268
Unknown.....	832	434	377	21	633	521	110	2

<sup>1</sup> This information was tabulated from the actuarial cards placed in supplementary alphabetical file in May of this year; therefore, the count does not agree with the figures for applications received.

Thus, the proportion of women among current applicants is considerably above the proportion in the 11-million sample of early applicants for account numbers, as is the proportion of Negroes.

**Table 4.—Percentage distribution by age and sex of applicants for employee account numbers, for the periods January–March, April, and May, 1938**

Age group (years)	Applicants for account numbers					
	Male			Female		
	January–March	April	May	January–March	April	May
Total.....	100.0	100.0	100.0	100.0	100.0	100.0
Under 20.....	16.7	14.8	18.9	19.5	18.8	21.9
20–24.....	17.6	18.2	17.5	22.3	23.9	21.6
25–34.....	21.8	23.3	20.9	26.8	26.8	25.9
35–44.....	16.7	16.7	14.9	16.5	16.3	13.7
45–54.....	13.9	13.6	12.0	9.6	9.1	9.2
55–64.....	8.7	8.7	7.8	4.3	4.0	3.9
65 and over.....	4.6	4.7	8.0	1.0	1.0	1.8

Although the differences in age distribution of the May applicants are small in comparison with the January–March and the April applicants, the proportions of persons under 20 years of age and those 65 years or over have increased slightly over the proportions in the previous months of 1938. This is true for both male and female applicants. It indicates that applications are coming more and more from younger workers just entering the labor market, and from older workers who are ineligible for old-age benefits but who wish social security account numbers for other reasons.

Table 6.—Distribution of male applicants for employee account numbers by age and color and by States, and total number of male and female applicants by States, May 1938<sup>1</sup>

State	Total male and female applicants	Number of male applicants											
		Total applicants	Color			Age group (years)							
			White	Negro	Other	Under 20	20-24	25-34	35-44	45-54	55-64	65 and over	Unknown
Total.....	453,994	301,122	232,223	43,903	4,996	56,852	52,628	62,705	44,758	35,874	23,304	24,169	832
Alabama.....	9,397	6,967	4,209	2,726	32	1,376	1,172	2,252	969	651	383	136	28
Alaska.....	327	269	234	-----	35	13	42	62	58	48	37	9	-----
Arizona.....	3,427	2,527	2,201	246	80	402	461	579	447	373	214	42	9
Arkansas.....	5,800	4,250	3,081	1,168	1	706	926	1,085	615	462	240	214	2
California.....	34,412	20,517	18,689	786	1,042	2,992	3,233	4,608	3,864	3,121	1,884	781	34
Colorado.....	3,788	2,384	2,348	32	4	477	472	560	404	276	162	33	-----
Connecticut.....	6,782	4,457	4,236	196	25	938	687	755	713	585	443	310	26
Delaware.....	122	74	60	14	-----	15	14	13	15	6	3	8	-----
District of Columbia.....	3,577	2,355	1,177	1,166	12	436	461	645	399	263	104	42	5
Florida.....	9,070	6,045	3,787	2,247	11	1,261	1,167	1,313	864	588	326	480	46
Georgia.....	11,781	8,395	4,509	3,867	19	1,862	1,919	2,118	1,112	726	338	242	76
Hawaii.....	816	615	101	1	513	67	103	233	123	54	33	2	-----
Idaho.....	2,182	1,642	1,629	2	11	283	346	386	232	202	133	40	-----
Illinois.....	29,174	18,377	16,826	1,483	68	3,230	2,379	2,800	2,541	2,063	1,219	4,128	17
Indiana.....	12,042	7,575	7,019	548	8	1,606	1,161	1,337	1,057	1,070	903	438	3
Iowa.....	5,467	3,562	3,510	45	7	712	787	724	553	417	277	91	1
Kansas.....	4,750	2,969	2,792	173	4	656	643	567	412	347	219	125	-----
Kentucky.....	12,761	9,204	7,891	1,103	210	1,740	1,951	2,039	1,372	1,056	710	320	16
Louisiana.....	10,009	7,094	4,430	2,647	17	1,285	1,481	1,781	1,102	819	455	147	24
Maine.....	4,064	2,486	2,463	3	20	482	444	455	372	347	231	152	3
Maryland.....	7,079	4,234	3,083	1,129	22	889	762	847	627	445	319	337	8
Massachusetts.....	13,500	7,615	7,353	244	18	2,032	1,355	1,499	953	820	507	365	84
Michigan.....	15,475	10,459	8,874	1,141	444	2,348	1,238	1,698	1,530	1,508	1,098	1,028	11
Minnesota.....	9,585	6,609	6,379	50	180	998	1,136	1,271	901	924	621	756	2
Mississippi.....	6,058	4,663	2,364	2,282	17	646	1,088	1,421	710	456	223	99	20
Missouri.....	16,748	11,862	10,008	1,841	13	1,720	1,913	2,485	1,744	1,516	845	1,629	10
Montana.....	3,600	2,820	2,572	11	237	353	528	616	405	522	328	68	-----
Nebraska.....	3,105	2,267	2,186	41	40	381	414	452	295	287	184	254	-----
Nevada.....	637	466	451	6	9	40	74	81	84	65	44	78	-----
New Hampshire.....	2,434	1,470	1,466	4	-----	342	207	219	198	169	175	157	3
New Jersey.....	5,680	3,817	3,278	528	11	599	526	642	661	651	480	257	1
New Mexico.....	2,352	1,780	1,707	46	27	288	363	481	312	219	94	19	4
New York.....	58,268	36,533	32,696	3,395	442	6,598	5,133	7,238	6,177	4,726	3,261	3,360	40
North Carolina.....	10,487	7,552	4,914	2,628	10	1,772	1,809	1,902	1,008	629	297	103	33
North Dakota.....	1,280	924	920	-----	4	140	244	228	112	96	72	32	-----
Ohio.....	33,972	22,611	19,510	2,225	876	3,367	2,924	3,276	2,772	2,526	2,015	5,710	79
Oklahoma.....	6,946	4,835	4,147	460	228	944	1,110	1,154	713	607	315	88	-----
Oregon.....	3,896	2,618	2,508	5	45	311	458	572	447	410	265	128	-----
Pennsylvania.....	6,098	3,784	3,467	312	5	876	663	638	304	542	503	252	6
Rhode Island.....	2,243	1,312	1,285	23	4	413	200	210	176	139	94	79	1
South Carolina.....	5,777	4,203	1,971	2,220	12	973	1,117	992	490	310	168	100	53
South Dakota.....	1,070	757	726	1	30	134	167	181	116	99	53	7	-----
Tennessee.....	8,594	5,965	4,593	1,353	19	1,050	1,234	1,483	958	704	399	117	20
Texas.....	24,973	16,801	14,086	2,704	11	4,181	3,377	3,953	2,563	1,456	970	178	123
Utah.....	1,454	987	960	10	17	226	213	202	131	117	81	17	-----
Vermont.....	1,523	1,080	1,075	4	1	217	191	209	171	133	92	62	5
Virginia.....	10,231	6,672	4,335	2,335	2	1,559	1,530	1,614	883	619	302	128	37
Washington.....	6,494	4,445	4,290	65	120	564	634	812	654	600	400	773	8
West Virginia.....	6,420	4,813	4,464	346	3	1,227	1,052	943	609	472	326	169	15
Wisconsin.....	7,464	4,649	4,585	39	25	984	954	893	693	641	409	70	5
Wyoming.....	1,003	755	748	2	5	141	165	181	117	92	50	9	-----

<sup>1</sup> This information was tabulated from the actuarial cards placed in supplementary alphabetical file in May of this year; therefore, the count does not agree with the figures for the applications received.

Source: Bureau of Old-Age Insurance, Baltimore Accounting Operations.

Table 7.—Distribution of female applicants for employee account numbers by age and color and by States, May 1938 <sup>1</sup>

State	Number of female applicants											
	Total applicants	Color			Age group (years)							
		White	Negro	Other	Under 20	20-24	25-34	35-44	45-54	55-64	65 and over	Unknown
Total.....	152, 872	132, 809	18, 129	1, 934	33, 323	32, 986	39, 401	23, 879	14, 060	5, 900	2, 690	633
Alabama.....	2, 430	1, 617	807	6	473	441	885	379	159	69	16	8
Alaska.....	58	51	7	7	6	14	14	13	9	1	1	1
Arizona.....	900	824	67	9	185	189	229	154	91	45	7	7
Arkansas.....	1, 550	1, 234	316	1	332	417	443	199	98	38	23	1
California.....	13, 895	13, 276	426	193	1, 760	3, 049	4, 096	2, 509	1, 645	692	125	19
Colorado.....	1, 204	1, 173	27	4	317	289	275	156	115	45	6	1
Connecticut.....	2, 325	2, 237	87	1	628	523	569	345	178	64	17	1
Delaware.....	48	31	17	1	14	10	14	5	3	2	1	1
District of Columbia.....	1, 222	721	500	1	213	303	374	207	86	35	3	1
Florida.....	3, 025	2, 043	978	4	562	628	924	508	241	99	48	15
Georgia.....	3, 386	2, 250	1, 131	5	869	821	984	464	155	60	19	14
Hawaii.....	201	57	144	1	45	63	54	26	10	3	1	1
Idaho.....	540	536	3	1	162	113	116	65	51	31	2	1
Illinois.....	10, 797	9, 997	778	22	2, 902	2, 203	2, 544	1, 594	889	323	330	12
Indiana.....	4, 467	4, 087	378	2	1, 204	852	1, 004	677	467	222	40	1
Iowa.....	1, 905	1, 876	29	1	488	490	413	253	162	90	8	1
Kansas.....	1, 781	1, 617	159	5	423	438	411	241	154	96	18	1
Kentucky.....	3, 557	3, 062	427	68	878	749	896	547	324	134	29	1
Louisiana.....	2, 915	2, 037	876	2	615	591	755	488	293	150	16	7
Maine.....	1, 578	1, 573	5	1	351	385	361	218	149	97	17	1
Maryland.....	2, 845	1, 954	891	1	692	529	717	446	297	113	49	2
Massachusetts.....	5, 885	5, 531	88	266	1, 508	1, 149	1, 396	737	453	184	376	82
Michigan.....	5, 016	4, 313	525	178	1, 119	1, 162	1, 170	826	438	190	106	5
Minnesota.....	2, 976	2, 864	46	66	603	791	632	428	311	150	59	2
Mississippi.....	1, 395	1, 014	376	5	268	359	401	193	116	50	7	1
Missouri.....	4, 886	4, 379	507	1	971	928	1, 228	814	525	202	217	1
Montana.....	780	717	3	60	146	205	161	125	97	42	4	1
Nebraska.....	838	817	17	4	188	192	185	118	86	40	29	1
Nevada.....	171	170	1	1	16	42	54	38	8	13	1	1
New Hampshire.....	964	963	1	1	279	188	213	137	103	30	14	1
New Jersey.....	1, 863	1, 667	195	1	517	351	456	278	172	64	23	2
New Mexico.....	572	560	9	3	132	149	174	82	24	10	1	1
New York.....	21, 735	19, 417	2, 015	303	4, 797	4, 186	5, 380	3, 672	2, 084	844	381	391
North Carolina.....	2, 935	2, 393	542	1	737	695	790	382	212	71	43	5
North Dakota.....	356	354	2	1	103	122	66	35	16	12	2	1
Ohio.....	11, 361	9, 103	1, 792	466	1, 818	2, 152	2, 396	2, 089	1, 347	632	420	7
Oklahoma.....	2, 111	1, 939	132	40	464	472	552	321	199	91	10	2
Oregon.....	1, 278	1, 261	8	9	149	353	383	212	126	41	10	4
Pennsylvania.....	2, 314	2, 124	190	1	559	497	575	359	203	92	29	1
Rhode Island.....	931	919	11	1	272	198	249	128	59	14	8	3
South Carolina.....	1, 574	1, 051	520	3	458	385	416	190	80	27	8	10
South Dakota.....	313	288	25	1	82	88	64	31	35	12	1	1
Tennessee.....	2, 629	1, 830	795	4	553	648	755	392	191	73	13	4
Texas.....	8, 172	7, 081	1, 087	4	2, 026	1, 925	2, 282	1, 164	558	197	13	7
Utah.....	467	465	2	1	110	114	108	58	51	24	2	1
Vermont.....	443	443	1	1	101	94	100	66	54	23	5	1
Virginia.....	3, 559	2, 314	1, 244	1	759	745	990	578	301	112	50	24
Washington.....	2, 049	2, 019	19	11	304	528	563	300	211	86	57	1
West Virginia.....	1, 607	1, 527	79	1	308	401	423	242	157	62	13	1
Wisconsin.....	2, 815	2, 787	23	5	812	718	599	346	236	94	10	1
Wyoming.....	248	246	2	1	45	52	62	44	31	9	5	1

<sup>1</sup> This information was tabulated from the actuarial cards placed in supplementary alphabetical file in May of this year; therefore, the count does not agree with the figures for applications received.

Source: Bureau of Old-Age Insurance, Baltimore Accounting Operations.



# FINANCIAL AND ECONOMIC DATA

BUREAU OF RESEARCH AND STATISTICS · DIVISION OF OLD-AGE BENEFITS RESEARCH

The end of June 1938 marked the completion of the first full fiscal year of operation of the old-age reserve account and the completion of the second fiscal year of operation of the unemployment trust fund. The old-age reserve account had mounted steadily and its investments had reached \$662.3 million by June 30. By this same date the investments of the unemployment trust fund amounted to \$872 million.

Shortly after the provisions of the Social Security Act became effective, all procedures necessary for the receipt, investment, and disbursement of funds were put into operation, and the results of these procedures can be examined now in the tables showing the financial operations of the two social security reserves. Although data with respect to these reserves have been available for some months, there is still some uncertainty in the public mind as to just how these reserves are operated. Some of the confusion arises from the fact that it is difficult for the general reader to observe the time relationships in the flow of funds and to understand the interrelation of the various procedures.

To explain some of these relationships, it is helpful to arrange them in a somewhat artificial sequence and to divide the operations reflected in the accompanying tables into different steps. Not all these steps are separate in time; in some cases they are contemporaneous parts of one general procedure. For the purpose of analysis they can be considered as separate steps, however, and the brief description presented below is outlined on this basis. It is evident from this description that the broad features of the two reserves involve somewhat comparable processes—that is, the inflow of funds, their investment in special Treasury obligations, and their subsequent outflow, as described below.

There has been comparatively little discussion of the technicalities of the unemployment trust fund, probably because this fund is not expected to be as large in the future as is the old-age reserve account. For this reason, the present discussion deals mainly with the financing of old-age insurance, although some of the procedures are similar to those used in the operation of the unemployment trust fund.

## *How the Old-Age Reserve System Works*

The Treasury operations in connection with the old-age reserve account may be divided into seven steps or phases which can be outlined as follows:

1. Collection of pay-roll taxes under title VIII.
2. Appropriation by Congress to the reserve account.
3. Transfer of funds from the appropriation to the reserve account.
4. Payments from the reserve account to beneficiaries.
5. Investment of funds held by the reserve account.
6. Receipt by the Treasury of funds invested—unless obligations are purchased in the open market.
7. Receipt of interest by the reserve account.

Taxes collected under title VIII are paid into the United States Treasury as internal revenue collections and become part of the general receipts of the Treasury. They are not earmarked and are available for expenditure in the same manner as other general receipts. The cumulative amount of taxes collected through May 31, 1938, as shown in table 2, was \$704.4 million. Collections during the month of May were \$97 million, which is considerably more than the amount recorded during any previous month. This increase resulted from the shift from monthly to quarterly collections and, for the most part, represents taxes paid on covered pay rolls for the first quarter of the calendar year 1938. Collections during June were much smaller than those in May.

The second step is the appropriation by Congress to the old-age reserve account—an appropriation which comes out of general receipts. The appropriation for each fiscal year precedes the collection of taxes for that year and is based on Treasury estimates of "an amount sufficient as an annual premium to provide for payments required" under title II of the act. This title provides a scale of benefit payments based on recorded earnings of covered workers. The size of the appropriation is thus linked indirectly to the wages which are taxed under title VIII, but it is not directly related to the amount of taxes received during any given period. It may be greater or less. In fact, the obligation for making these appropriations would

exist even if tax collections under title VIII should cease. It has been assumed, however, that an appropriation equivalent to the amount of these taxes minus a small percentage for administration would approximate the "annual premium" necessary to finance later benefits. The appropriations made to date have been based on estimates of such tax collections.

Table 1 shows that Congress appropriated to the old-age reserve account \$265 million for the second half of the fiscal year 1936-37 and \$500 million for 1937-38. The sum of \$360 million has been appropriated for the fiscal year 1938-39. The fact that tax collections during the fiscal year 1937-38 have fallen below the estimates has led to a carry-over of \$113 million from the appropriation for this year as an addition to the appropriation for the fiscal year 1938-39. Table 1 shows the appropriation balance which was available on the first of each month since January 1937. At the end of the fiscal year 1937-38 it amounted to \$113 million.

The third step, which is reflected in table 1, is the transfer of funds from the appropriation to the old-age reserve account. This accounting transfer is not effected in a single transfer of the entire appropriation, but is accomplished in installments spread more or less evenly over the year. These transfers, rather than the appropriations, constitute the accounting inflow of funds to the

reserve account and appear as expenditures in the current statements of the Treasury. As far as the budget of the Treasury is concerned, these transfers are actual expenditures similar to those resulting from the purchase of supplies and the payment of wages to Government employees. So long as such transfers are approximately equal to tax collections under title VIII, the balance, whether surplus or deficit, between all other Federal receipts and expenditures is not affected.

A review of the situation to date shows that total transfers as of June 30 were \$652 million out of a total of \$765 million appropriated for the 2 fiscal years as described above. Expenditures for administering the old-age insurance program should be added to these transfers for purposes of comparison with tax collections under title VIII. If proper allowance is made for the time element and for administrative expenses, tax receipts and transfers to the account will parallel each other for the most part. The small transfers during May and June as compared with those of previous months are a result of the fact that total transfers during the first 10 months of the fiscal year reduced the appropriation balance to nearly \$115 million, the amount to be carried over to the following fiscal year.

The fourth step is the payment of benefits from the reserve account. Lump-sum claims are al-

Table 1.—Old-age reserve account

Month	Appropriation balance on first of month <sup>1</sup>	Transfers from appropriation to account	Interest received by account	3-percent special Treasury notes acquired	Deposits with disbursing officer for benefit payments	Benefit payments	Cash with disbursing officer at end of month
1937							
January.....	\$265,000,000.00	\$45,000,000	-----	\$45,000,000	-----	\$0.00	\$0.00
February.....	220,000,000.00	45,100,000	-----	45,000,000	\$100,000.00	.00	100,000.00
March.....	174,900,000.00	45,000,000	-----	45,000,000	-----	.00	100,000.00
April.....	129,900,000.00	45,000,000	-----	45,000,000	-----	229.79	99,770.21
May.....	84,900,000.00	45,000,000	-----	45,000,000	-----	7,065.20	92,705.01
June.....	39,900,000.00	39,900,000	\$2,261,810.97	42,100,000	-----	19,674.36	73,030.65
July.....	500,000,000.00	42,000,000	( <sup>2</sup> )	41,000,000	<sup>3</sup> 1,061,810.97	46,357.05	1,088,484.57
August.....	458,000,000.00	41,000,000	-----	41,000,000	-----	108,080.84	980,403.73
September.....	417,000,000.00	41,000,000	-----	41,000,000	-----	99,472.23	880,931.50
October.....	376,000,000.00	41,000,000	-----	41,000,000	-----	169,348.62	711,582.88
November.....	335,000,000.00	41,000,000	-----	41,000,000	-----	263,972.69	447,610.19
December.....	294,000,000.00	43,000,000	-----	41,000,000	2,000,000.00	302,274.87	2,145,335.32
1938							
January.....	251,000,000.00	41,000,000	-----	41,000,000	-----	581,004.99	1,564,330.33
February.....	210,000,000.00	41,000,000	-----	41,000,000	-----	602,215.64	962,114.69
March.....	169,000,000.00	43,000,000	-----	41,000,000	2,000,000.00	736,132.95	2,225,981.74
April.....	126,000,000.00	10,800,000	-----	10,800,000	<sup>4</sup> -23.35	841,022.47	1,384,935.92
May.....	115,200,023.35	2,200,000	-----	0	<sup>5</sup> 2,199,921.36	823,297.05	2,761,560.23
Cumulative to May 31.....	113,000,101.99	652,000,000	2,261,810.97	646,900,000	7,361,708.98	4,600,148.75	2,761,560.23

<sup>1</sup> On books of Bookkeeping and Warrants Division of the Treasury Department. \$265,000,000 was appropriated to the old-age reserve account for the fiscal year 1936-37 and \$500,000,000 for the fiscal year 1937-38. See footnote 3 for an explanation of additions to appropriation.

<sup>2</sup> \$61,810.97 of the interest earned during the first 6 months was held as an appropriation balance until July 1937, at which time it was transferred to the disbursing officer.

<sup>3</sup> Collections of improper payments made to claimants have been deducted and transferred to appropriation.

Source: Computed from data furnished by the Daily Treasury Statements.

ready being paid, and a part of the reserve account is set aside as a cash balance with the disbursing officer of the Treasury to meet these payments. Benefit payments do not appear as expenditures of the Treasury but are drawn directly from the reserve account. Cumulative benefit payments through May 31 were \$4.6 million, as shown

in table 1. The amount paid to beneficiaries during the month of May was \$823,000. Payments in June were slightly larger than those in May, and the funds held by the disbursing officer at the end of June amounted to nearly \$2 million.

The fifth step is the investment of funds which have been transferred to the reserve account. The

**Table 2.—Federal tax collections under titles VIII and IX of the Social Security Act, by internal revenue collection districts<sup>1</sup>**

[In thousands of dollars]

Internal revenue collection districts in—	Collections in the fiscal year 1936-37			Collections in the fiscal year 1937-38 to May 31, 1938			Cumulative collections to May 31, 1938		
	Total, titles VIII and IX	Under title VIII <sup>2</sup>	Under title IX <sup>3</sup>	Total, titles VIII and IX	Under title VIII <sup>2</sup>	Under title IX <sup>3</sup>	Total, titles VIII and IX	Under title VIII <sup>2</sup>	Under title IX <sup>3</sup>
All States.....	\$256,181.2	\$198,341.3	\$57,839.9	\$505,533.2	\$506,102.8	\$59,430.4	\$851,714.4	\$704,444.2	\$147,270.3
Alabama.....	1,648.1	1,420.3	227.8	4,110.2	3,615.9	494.3	5,758.3	5,036.2	722.1
Arizona.....	412.7	366.8	45.9	972.6	855.6	117.0	1,855.3	1,252.3	603.0
Arkansas.....	885.6	508.8	376.8	1,654.4	1,364.3	290.1	2,540.0	1,873.1	666.9
California (2 districts).....	13,310.0	11,423.0	1,887.0	34,475.8	30,770.0	3,705.8	47,785.9	42,193.0	5,592.9
Colorado.....	1,283.8	1,108.8	175.0	3,474.0	3,108.0	366.0	4,787.8	4,216.8	571.0
Connecticut.....	4,797.4	4,103.1	694.3	11,413.2	9,984.4	1,428.7	16,210.5	14,067.5	2,143.0
Delaware.....	1,598.7	1,129.8	468.9	3,401.7	2,835.8	565.9	5,000.5	3,965.6	1,034.9
Florida.....	2,360.9	1,398.0	962.9	5,985.6	3,253.8	2,731.8	6,346.6	4,651.8	1,694.8
Georgia.....	3,429.3	1,975.2	1,454.2	5,903.5	4,644.2	1,259.3	9,332.8	6,619.3	2,713.5
Hawaii.....	702.3	381.3	321.0	1,196.6	967.9	228.7	1,897.9	1,349.2	548.7
Idaho.....	391.5	340.5	51.0	1,053.2	954.9	98.3	1,444.8	1,295.4	149.4
Illinois (2 districts).....	32,294.7	18,976.2	13,318.5	60,837.4	47,733.5	13,103.9	93,132.1	66,709.6	26,422.4
Indiana.....	4,151.9	3,632.6	519.3	9,969.4	8,881.6	1,087.8	14,121.3	12,514.3	1,607.1
Iowa.....	1,954.4	1,644.8	309.5	4,967.4	4,474.9	492.5	6,921.8	6,119.7	802.1
Kansas.....	1,740.5	932.9	807.6	3,166.3	2,409.5	756.8	4,906.8	3,342.4	1,564.4
Kentucky.....	1,822.2	1,449.2	373.1	4,546.9	3,860.0	686.9	6,399.2	5,309.2	1,090.0
Louisiana.....	1,591.9	1,366.4	225.4	4,119.7	3,661.9	457.8	5,711.6	5,028.3	683.3
Maine.....	889.8	785.7	104.1	2,325.3	2,083.4	241.9	3,215.2	2,869.1	346.0
Maryland (including District of Columbia).....	4,170.7	3,421.8	748.9	10,306.9	8,774.6	1,532.3	14,477.6	12,196.4	2,281.2
Massachusetts.....	10,919.2	9,355.6	1,563.7	25,937.3	22,797.7	3,139.6	36,856.5	32,153.3	4,703.2
Michigan.....	14,114.4	12,352.6	1,761.9	36,834.4	32,929.7	3,904.7	50,948.9	45,282.3	5,666.6
Minnesota.....	3,702.5	2,786.7	915.8	8,941.1	7,565.5	1,375.6	12,643.6	10,355.2	2,288.5
Mississippi.....	479.3	426.5	52.8	1,340.6	1,219.2	121.4	1,819.9	1,645.6	174.3
Missouri (2 districts).....	9,403.9	5,355.6	4,048.3	17,150.9	13,083.5	4,067.4	26,554.8	18,499.2	8,115.6
Montana.....	570.5	327.7	242.7	1,138.6	945.6	193.0	1,709.1	1,273.3	435.8
Nebraska.....	1,663.6	855.5	808.1	3,162.6	2,394.0	768.6	4,826.2	3,249.5	1,576.7
Nevada.....	409.8	296.6	113.2	693.1	582.5	110.5	1,102.8	869.1	233.7
New Hampshire.....	631.3	566.3	65.0	1,476.7	1,338.9	137.8	2,108.0	1,905.2	202.8
New Jersey (2 districts).....	7,582.3	6,475.1	1,107.3	20,732.6	18,409.1	2,323.4	28,314.9	24,884.2	3,430.7
New Mexico.....	215.3	196.6	18.8	583.8	540.1	43.7	799.1	736.6	62.5
New York (6 districts).....	56,470.8	43,216.1	13,254.7	133,676.5	107,218.7	26,457.8	190,147.3	150,434.8	39,712.5
North Carolina.....	2,649.6	2,281.2	368.4	6,521.3	5,800.9	720.3	9,170.8	8,082.1	1,088.7
North Dakota.....	276.3	166.5	109.9	499.0	437.9	61.1	775.3	604.4	170.9
Ohio (4 districts).....	16,615.5	14,362.0	2,253.5	39,770.9	35,104.6	4,666.2	56,386.3	49,406.7	6,979.6
Oklahoma.....	2,157.3	1,783.7	373.6	5,903.2	5,013.2	890.0	7,760.5	6,706.9	1,053.6
Oregon.....	1,402.6	1,194.0	208.5	3,655.5	3,268.4	387.2	5,068.1	4,462.4	595.7
Pennsylvania (3 districts).....	23,455.2	20,407.2	3,048.0	57,417.0	50,931.8	6,485.3	80,872.3	71,339.0	9,533.3
Rhode Island.....	1,722.9	1,474.5	248.4	3,842.6	3,809.4	33.2	5,565.5	5,283.9	281.6
South Carolina.....	1,046.6	933.3	113.3	2,738.1	2,554.8	183.2	3,784.7	3,488.1	296.5
South Dakota.....	218.3	192.8	25.4	545.0	537.1	7.8	763.2	730.0	33.3
Tennessee.....	2,103.5	1,770.4	333.1	5,180.1	4,519.7	660.5	7,283.6	6,290.1	993.5
Texas (2 districts).....	4,878.8	4,273.0	605.8	13,744.5	12,307.0	1,437.4	18,623.2	16,580.0	2,043.3
Utah.....	543.0	463.0	80.1	1,350.2	1,218.3	131.9	1,893.2	1,681.2	212.0
Vermont.....	385.2	337.6	47.6	949.1	844.2	104.9	1,334.2	1,181.8	152.5
Virginia.....	2,149.9	1,754.4	395.6	5,421.9	4,784.0	637.9	7,571.8	6,538.3	1,033.5
Washington (including Alaska).....	3,856.6	2,105.5	1,751.0	7,292.5	5,967.5	1,325.1	11,149.1	8,073.0	3,076.1
West Virginia.....	2,049.9	1,830.0	219.9	5,080.7	4,562.1	518.6	7,130.6	6,302.1	728.4
Wisconsin.....	4,777.0	4,267.3	509.7	11,815.5	10,681.9	1,133.6	16,592.5	14,949.2	1,643.3
Wyoming.....	293.5	176.0	117.5	558.8	471.4	87.4	832.3	647.4	184.9

<sup>1</sup> These data are based on warrants covered by the Bookkeeping and Warrants Division of the Treasury Department and therefore are slightly different from the tax figures shown in table 3, which are based on Daily Treasury Statements. The amounts listed in this table represent collections made in the respective internal revenue collection districts in the respective States, which have been covered into the U. S. Treasury. An amount received by a particular district does not necessarily represent taxes paid with respect to employment within the State in which that district is located.

<sup>2</sup> "Taxes with respect to employment." Effective Jan. 1, 1937, based on wages for employment as defined in sec. 811 of the Social Security Act, payable by both employer and employee.

<sup>3</sup> "Tax on employers of 8 or more." Effective Jan. 1, 1936, based on wages for employment as defined in sec. 907 of the Social Security Act, payable by employers only. The sums here recorded represent taxes paid after deduction of credits for amounts paid into State unemployment funds in States having unemployment compensation laws certified for the taxable year by the Social Security Board. During part of the period to which these figures apply, employers were not able to claim these credits in some States whose unemployment compensation laws had not yet been certified by the Social Security Board.

Source: U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.



Secretary of the Treasury is required to invest those portions of the reserve not required for current benefit payments in interest-bearing obligations of the United States or in obligations guaranteed as to principal and interest by the United States. Such investments may be in regular publicly offered obligations or in special obligations issued exclusively to the account which are not offered to the general public. Investments for the account may be made only in such obligations as will yield not less than 3 percent per annum. The invested portion of the old-

age reserve at the present time is in a special series of Treasury notes, called the old-age reserve account series. These mature in 1941 and 1942, at which times the funds will be reinvested. As of June 30 such notes totaled \$662.3 million.

The choice between investment in regular or in special obligations will depend on various factors, such as the yield possible at prevailing market prices for outstanding securities. In recent months there have been no regular outstanding obligations legally available for investment, because the yield on such obligations at current prices has been

**Table 3.—Receipts, expenditures, and issues under the Social Security Act, and total governmental receipts, expenditures, and debt**

[In millions of dollars]

Year and month	Receipts of the Federal Government			Expenditures <sup>1</sup> of the Federal Government			Excess receipts (+) or expenditures (-)	General fund balance	Amount of and changes in public debt								
	Total, all sources	Taxes under the Social Security Act <sup>2</sup>	All other	Total	Under the Social Security Act				Amount of public debt				Monthly changes (+) or (-) in public debt				
					Grants to States and administrative expense	Transfers to old-age reserve account			All other	Total	Exclusive of social security issues	Social security issues for—		Total	Exclusive of social security issues	Social security issues for—	
												Old-age reserve account	Unemployment trust fund			Old-age reserve account	Unemployment trust fund
Total, fiscal year 1935-36.....	\$4, 116	.....	\$4, 116	\$8, 477	\$28	.....	\$8, 449	-\$4, 361	+\$840	\$33, 779	\$33, 760	.....	\$19	+\$5, 078	+\$5, 059	.....	+\$19
Total, fiscal year 1936-37.....	5, 294	\$252	5, 042	8, 001	183	\$265	7, 553	-2, 707	-128	36, 425	35, 846	\$267	312	+2, 646	+2, 086	+\$267	+293
1936																	
July.....	294	.....	294	412	12	.....	400	-118	-451	33, 444	33, 419	.....	25	-335	-341	.....	+6
August.....	343	.....	343	552	14	.....	538	-209	-327	33, 380	33, 350	.....	30	-64	-69	.....	+5
September.....	499	.....	499	667	7	.....	660	-168	+284	33, 833	33, 799	.....	34	+453	+449	.....	+4
October.....	272	( <sup>3</sup> )	272	681	28	.....	653	-409	-424	33, 833	33, 795	.....	38	( <sup>3</sup> )	-4	.....	+4
November.....	233	( <sup>3</sup> )	233	535	15	.....	520	-302	-358	33, 794	33, 747	.....	47	-39	-48	.....	+9
December.....	517	( <sup>3</sup> )	517	655	4	.....	651	-138	+500	34, 407	34, 343	.....	64	+613	+596	.....	+17
1937																	
January.....	284	3	281	631	20	45	566	-347	-180	34, 502	34, 383	45	74	+95	+40	+45	+10
February.....	275	10	265	553	22	45	486	-278	-187	34, 601	34, 397	90	114	+99	+14	+45	+40
March.....	1, 012	50	962	754	12	45	697	+258	+287	34, 728	34, 406	135	187	+127	+9	+45	+73
April.....	363	78	285	708	16	45	647	-345	-124	34, 941	34, 534	180	227	+213	+128	+45	+40
May.....	335	59	276	552	9	45	498	-217	+52	35, 213	34, 724	225	264	+272	+190	+45	+37
June.....	868	53	815	1, 300	25	40	1, 235	-432	+800	36, 425	35, 846	267	312	+1, 212	+1, 122	+42	+48
Total, fiscal year 1937-38 to May 31.....	5, 466	598	4, 868	6, 881	266	387	6, 228	-1, 415	+13	37, 422	35, 949	647	826	+997	+103	+380	+514
1938																	
July.....	409	53	356	659	29	42	588	-250	+85	36, 716	36, 067	308	341	+291	+221	+41	+29
August.....	453	60	393	556	17	41	498	-103	+263	37, 045	36, 286	349	410	+329	+219	+41	+69
September.....	788	50	738	681	10	41	630	+107	-43	36, 875	36, 027	390	458	-170	-259	+41	+48
October.....	333	52	281	615	40	41	534	-282	-184	36, 956	36, 029	431	496	+81	+2	+41	+38
November.....	327	36	291	542	31	41	470	-215	-68	37, 094	36, 048	472	574	+138	+19	+41	+78
December.....	865	69	796	730	13	43	674	+135	+365	37, 279	36, 141	513	625	+185	+93	+41	+51
1938																	
January.....	335	57	278	566	45	41	480	-231	-23	37, 453	36, 250	554	649	+174	+109	+41	+24
February.....	349	80	269	512	18	41	453	-163	+25	37, 633	36, 304	595	734	+180	+54	+41	+85
March.....	959	3	956	739	9	43	707	+200	+166	37, 556	36, 176	636	744	-77	-128	+41	+10
April.....	273	33	240	686	32	11	643	-413	-451	37, 510	36, 122	647	741	-46	-54	+11	-3
May.....	375	105	270	575	22	2	551	-200	-122	37, 422	35, 949	647	826	-88	-173	0	+85

<sup>1</sup> Federal tax receipts under titles VIII and IX of the Social Security Act. These data are from the Daily Treasury Statements and therefore are different from the tax collections in table 2, which are based on warrants covered by the Bookkeeping and Warrants Division of the Treasury Department.

<sup>2</sup> Exclusive of public debt retirement. On a checks-paid basis, i. e., checks cashed and returned to the U. S. Treasury.

<sup>3</sup> Less than \$500,000.

Source: Computed from data furnished by the Daily Treasury Statements.

less than 3 percent. It should also be noted that there are advantages to the Treasury in using special obligations, such as a saving in administrative expenses and commissions, and the possibility of coordinating reserve account operations with other public debt operations of the Treasury in a more flexible manner.

If the funds in the reserve account are invested in regular outstanding obligations, there will be cash transactions with the owners of such obligations—that is, individuals, banks, insurance companies, and other holders. This process entails no change in the total amount of regular obligations owed by the Treasury; it substitutes the reserve account as a creditor in place of the former private holders of the obligations. If, however, the funds are invested in special obligations, the Treasury issues the obligations to the account at the time of the transfer of funds from the appropriation to the reserve, as described above. In this case the third, fifth, and sixth steps as outlined herein are concurrent.

The sixth step is the receipt by the Treasury of the funds made available through the investment process—when the reserve is invested in special obligations. The investment in special obligations means in effect that the Treasury issues obligations to the reserve account and receives in return the funds previously transferred to the reserve. The net result is that the Treasury has at its disposal amounts equal to the transfers to the account less the sums held for payments by the disbursing officer, but a new debt has been contracted as a result. This particular transaction is essentially the same as if the Treasury sold regular obligations to the public and received funds in return. The reserve account, instead of private persons or corporations, becomes the creditor in this instance, and a new interest-bearing debt is created as a result of the additional funds acquired.

As the flow of funds is followed through these various steps it becomes evident that the Treasury acquires certain funds which may be used in the same ways as funds derived from the sale of obligations to the public. In times of budget deficit, funds obtained in this manner may lessen the amount of additional borrowing from private investors, and, consequently, privately held debt is lower than it would be if the Government had to turn to private investors to meet the full deficit. In times when the budget is balanced, the funds

made available in this fashion can be used to reduce the already existing privately held debt. This might be accomplished by failure to replace maturing obligations or by the purchase in the open market of securities before they have matured. The same general situation would prevail when there is a budgetary surplus.

The operations of the reserve account, therefore, exert no direct influence on the total debt of the Treasury, although they result in lower outside holdings than otherwise. During the fiscal year 1937–38 there was an increase in the total debt of the Government of \$740 million; the debt held outside the reserve account during the same period, however, decreased by \$215 million. The decrease in this latter item is a direct reflection of the acquisition of Government securities by the old-age reserve account and the unemployment trust fund.

The seventh step is the receipt by the reserve account of interest from investment holdings. The interest credited to the reserve account constitutes a secondary stream of accounting income—an income which is still relatively small in amount. Interest payments are made in routine fashion and, as in the case of the transfers, may be used either for benefit payments or for investment. As of June 30, 1938, interest totaling \$17.7 million had been credited to the account, a part of which was deposited with the disbursing officer for benefit payments, while the balance was invested. This type of income will grow constantly, since the investment holdings of the reserve account constitute a capital sum which will increase in amount for several decades.

This outline of procedures may help to explain the various data in the accompanying tables and may perhaps throw some light on the technical operations which are involved. From the point of view of the beneficiary, the significant thing to note is the constant growth of investment holdings and the inflow in the form of transfers and interest. The corresponding tax items are shown in table 2. Thus far the disbursements are so small as to indicate merely the manner in which the payments are made; they do not yet reflect the large sums which will actually be disbursed when monthly benefits become payable in 1942.

#### *Unemployment Trust Fund*

Procedures used in handling the old-age reserve account and the unemployment trust fund show

both similarities and differences. In accordance with title IX of the Social Security Act, States deposit with the Treasury funds collected under State unemployment compensation laws. These deposits, in contrast with tax receipts under title VIII, do not enter the general receipts of the Treasury, nor do they require appropriations by Congress. Instead, such deposits go directly into the trust fund where they are credited to the account of the State agency which made the deposit.

The unemployment trust fund, except for a

small balance in the disbursing account, is then invested in Government obligations in a manner similar to the investment of the old-age reserve account. The investment may be made in regular or special obligations of the United States. Obligations are eligible for such investment only if, at the time they are acquired, they bear interest at a rate equal to the average rate of interest borne by all interest-bearing obligations of the United States Government which are part of the public debt. As of June 30 investments of the unemployment trust fund amounted to \$872 million.

Table 4.—Status of the unemployment trust fund as of May 31, 1938

State	Contributions first collectible on pay rolls for 1—	Fiscal year 1936-37					Fiscal year 1937-38			
		Balance as of June 30, 1936	Deposits	Earnings	With- drawsals	Balance as of June 30, 1937	Deposits July 1, 1937—May 31, 1938	Earnings July 1, 1937—Mar. 31, 1938 <sup>1</sup>	Withdrawals July 1, 1937—May 31, 1938 <sup>2</sup>	Balance as of May 31, 1938
Total.....		\$18,940,421.44	\$292,915,958.16	\$2,737,181.92	\$1,000,000	\$313,602,561.52	\$675,832,177.09	\$10,203,616.40	\$161,460,000	\$838,178,355.01
Alabama.....	1936		4,888,360.65	23,392.47		4,911,753.12	6,374,668.83	136,144.49	3,500,000	7,922,566.44
Alaska.....	1937						355,251.42	1,404.29		356,655.71
Arizona.....	1936		925,857.13	4,927.52		930,784.65	1,651,250.93	28,850.11	1,000,000	1,610,894.69
Arkansas.....	1937						2,825,625.29	24,374.71		2,850,000.00
California.....	1936		27,666,400.00	242,944.34		27,909,344.34	62,908,000.00	1,008,528.22	11,000,000	80,825,872.56
Colorado.....	1936		2,295,233.60	14,709.81		2,309,943.41	3,972,258.10	72,801.45		6,355,002.96
Connecticut.....	1936		8,400,000.00	46,814.60		8,446,814.60	12,078,000.00	231,243.33	7,250,000	13,506,057.93
Delaware.....	1937						2,110,000.00	9,830.71		2,119,830.71
Dist. of Columbia.....	1936	603,872.42	2,878,799.98	45,375.37		3,528,047.77	4,663,506.50	95,636.11	650,000	7,637,190.38
Florida.....	1937						5,400,000.00	28,807.18		5,428,807.18
Georgia.....	1937						7,550,000.00	46,062.93		7,596,062.93
Hawaii.....	1937						1,597,058.79	6,583.70		1,603,642.49
Idaho.....	1936		898,520.56	5,489.91		904,010.47	1,586,894.88	29,492.38		2,530,397.73
Illinois.....	1937						62,800,000.00	126,139.20		62,926,139.20
Indiana.....	1936	855,560.45	13,060,144.51	142,747.93		14,058,452.89	14,718,349.06	373,385.23	1,300,000	27,850,187.18
Iowa.....	1936		2,750,000.00	6,610.16		2,756,610.16	6,700,000.00	107,865.06		9,564,475.22
Kansas.....	1937						5,368,815.98	48,332.78		5,417,148.76
Kentucky.....	1936		2,500,000.00	10,459.81		2,510,459.81	10,557,000.00	141,308.45		13,208,768.26
Louisiana.....	1936		3,800,000.00	24,169.43		3,824,169.43	6,700,000.00	118,082.22	1,250,000	9,392,251.65
Maine.....	1936		1,850,000.00	10,889.88		1,860,889.88	3,050,000.00	55,943.09	2,300,000	2,666,832.97
Maryland.....	1936		3,000,000.00	16,919.51		3,016,919.51	9,800,000.00	134,021.27	4,800,000	8,150,940.78
Massachusetts.....	1936		18,700,000.00	199,145.19		18,899,145.19	39,050,000.00	622,719.91	13,000,000	45,541,865.10
Michigan.....	1936		13,040,000.00	91,614.88		13,131,614.88	44,835,278.65	858,575.75		58,525,469.28
Minnesota.....	1936		4,700,000.00	29,730.48		4,729,730.48	11,500,000.00	163,076.60	4,500,000	11,892,807.08
Mississippi.....	1936		1,134,382.09	12,200.04		1,146,582.13	1,924,600.18	36,242.54	450,000	2,657,424.85
Missouri.....	1937						17,500,000.00	48,558.44		17,548,558.44
Montana.....	1937						2,400,000.00	19,113.05		2,419,113.05
Nebraska.....	1937						3,464,900.00	18,404.57		3,482,904.57
Nevada.....	1937						816,617.21	7,214.41		823,831.62
New Hampshire.....	1936		2,282,616.84	17,521.71		2,300,138.55	2,745,513.87	65,030.80	1,810,000	3,300,683.22
New Jersey.....	1936		16,550,000.00	85,414.88		16,635,414.88	24,811,000.00	481,428.72		41,927,843.60
New Mexico.....	1936		650,000.00	4,159.04		654,159.04	975,000.00	19,196.65		1,648,355.69
New York.....	1936	6,007,838.09	50,000,000.00	655,336.55		56,663,174.64	79,800,000.00	1,533,885.79	40,000,000	98,017,090.43
North Carolina.....	1936		5,520,000.00	32,855.72		5,552,855.72	7,635,000.00	149,065.37	4,000,000	9,336,921.09
North Dakota.....	1937						925,000.00	7,567.96		932,567.96
Ohio.....	1936		17,002,015.39	117,807.07		17,119,822.46	51,830,545.24	762,874.64		69,713,242.34
Oklahoma.....	1936		3,505,000.00	22,980.14		3,527,980.14	5,480,000.00	102,680.52		9,110,660.66
Oregon.....	1936		3,311,887.48	39,409.16		3,351,296.64	4,695,219.43	90,679.07	3,550,000	4,587,195.14
Pennsylvania.....	1936		37,780,000.00	224,190.67		38,004,190.67	64,482,000.00	1,114,332.24	32,500,000	71,070,522.91
Rhode Island.....	1936		4,467,827.46	37,769.97		4,505,597.43	6,583,789.82	121,624.66	5,900,000	5,411,011.91
South Carolina.....	1936		2,500,000.00	17,695.89		2,517,695.89	3,275,000.00	68,305.92		5,861,001.81
South Dakota.....	1936		470,000.00	3,367.73		473,367.73	870,000.00	15,764.02		1,350,131.75
Tennessee.....	1936		3,800,000.00	18,051.16		3,818,051.16	6,245,000.00	116,266.26	3,000,000	7,179,320.42
Texas.....	1936		10,585,000.00	73,749.45		10,658,749.45	16,435,000.00	312,652.61	3,100,000	24,306,402.06
Utah.....	1936		1,113,367.70	9,229.72		1,122,597.42	2,190,000.00	37,007.45	1,425,000	1,924,604.87
Vermont.....	1936		656,342.98	4,301.82		660,644.80	1,151,346.28	21,150.48	525,000	1,308,141.54
Virginia.....	1936		4,300,000.00	21,153.45		4,321,153.45	7,475,000.00	128,139.23	2,290,000	9,674,292.68
Washington.....	1937						9,225,000.00	79,213.04		9,304,213.04
West Virginia.....	1936		3,589,467.76	22,754.62		3,612,222.38	9,318,000.00	135,787.47	6,600,000	6,466,009.85
Wisconsin.....	1934	11,482,150.48	12,344,734.03	431,291.84	1,000,000	23,258,176.35	14,167,086.65	511,720.14	5,900,000	32,036,983.14
Wyoming.....	1937						1,290,000.00	10,489.18		1,300,489.18

<sup>1</sup> Contributions payable under State unemployment compensation laws. Contributions from employers are collectible in all States; in addition, the following States require employee contributions on wages earned: Alabama, California, Kentucky, Louisiana, Massachusetts, New Jersey, Rhode Island.

<sup>2</sup> Earnings are credited at the end of each quarter of the fiscal year.

<sup>3</sup> Represents withdrawals since Jan. 1, 1935, except in the case of Wisconsin, which had withdrawn \$2,250,000 previous to that date.

Source: Computed from data furnished by the U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.



These were made entirely in a special series of certificates of indebtedness which bear an interest rate of 2½ percent per annum. In purchasing these special certificates for the fund the receipts deposited by the States are released to the Treasury, which thus receives additional funds, but expands its interest-bearing debt in doing so, just as it does when borrowing from private investors.

The unemployment trust fund, unlike the old-age reserve account from which comparatively small amounts have been paid, is already being drawn upon in considerable amount for benefit payments. If withdrawals for benefit payments exceed incoming deposits plus interest, it becomes necessary to liquidate a part of the securities held. The liquidation of such securities, if they are in the form of regular obligations, may be effected by selling them to the public or by Treasury redemption if the series has been called; in the case of special obligations, the liquidation is effected solely by redemption by the Treasury. The redemption of the obligations may be financed either by drawing on the general fund of the Treasury or by the sale of regular obligations to the public. In the first case the public debt would decrease as the debt to the unemployment trust fund is reduced; in the second instance the total public debt would remain the same, with the substitution of outside creditors for the trust fund. If the trust fund held regular obligations and they were sold back to the public, the total public debt would remain unchanged.

The status of the unemployment trust fund as of May 31 is shown in table 4. During the month of May the special 2½-percent certificates of indebtedness held by the Treasury for the account of the unemployment trust fund increased by \$85 million, whereas during June the increase amounted to \$46 million. Twenty-five States had made withdrawals from the unemployment trust fund by the end of June. Fluctuations in the size of the investment holdings of this fund are dependent upon the relationship between incoming receipts, including deposits and interest, on the one hand, and outgo in the form of withdrawals on the other. The ratio to the total public debt of the securities held by the unemployment trust fund is apparent in table 3.

#### **Title IX Taxes**

An excise tax is imposed by title IX of the Social Security Act upon those employers subject to the

act who have 8 or more individuals in their employ on each of some 20 days during the taxable year—each day being in a different calendar week. The amount of this tax is based upon certain percentages of total wages payable as defined in section 907 of the act. Against this tax it is provided, in section 902, that the taxpayer may credit the amount of contributions, with respect to employment during the taxable year, paid by him (before the date of filing his return for the taxable year) into an unemployment fund under a State law. The total credit allowed to a taxpayer shall not exceed 90 percent of the tax against which it is credited.

Collections under this title through May 31, as well as those under title VIII, are shown in table 2, by internal revenue collection districts. The proportion which taxes under the Social Security Act bear to receipts of the Federal Government from all sources is shown in table 3. It may be seen from the latter table that taxes under the Social Security Act amounted to 28 percent of total receipts of the Federal Government during May. As a result of the heavy title VIII tax collections in May, described above, this proportion is considerably above that previously established.

Section 810 of the Revenue Act of 1938 (Public, No. 554), which became a law without approval on May 28, provides that, against the tax for the calendar year 1936 imposed by section 901 of the Social Security Act, any taxpayer shall be allowed credit for contributions on 1936 employment paid into an unemployment fund under a State law before the 60th day after the enactment of this act. It also provides that this credit shall be allowed in accordance with the provisions of the Social Security Act, except the provision limiting such credit to amounts paid before the date of filing returns. Refund of the tax—including penalty and interest collected with respect thereto, if any—may be made in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax. No interest shall be allowed or paid on the amount of any such refund.

The Second Deficiency Appropriation Act, fiscal year 1938, approved June 25, 1938, contains a provision which is designed to eliminate tax differences among States caused by delays in enacting unemployment compensation laws in some States. The act provides for refunds to certain States of 90 percent of title IX taxes for 1936 paid on or

before January 31, 1938, by employers in those States which had no approved unemployment compensation law on December 31, 1936. This appropriation was authorized by an act approved August 24, 1937 (Public, No. 353). Since 13 States, Alaska, and Hawaii failed to enact and approve unemployment compensation laws before 1937, and employers in these jurisdictions received no credits against their title IX taxes on 1936 employment, these 15 jurisdictions are affected by this appropriation.

According to the act, the Secretary of the Treasury shall pay into the State unemployment funds the sums appropriated. These refunds are to be in full settlement of all sums due.

The appropriation made for this purpose totals \$40,561,886.43 and is based upon internal revenue figures showing the net amount of title IX taxes

paid for employment within each of the 15 jurisdictions. The amounts appropriated for return to the various States are as follows:

Total.....	\$40,561,886.43
Alaska.....	110,479.64
Arkansas.....	699,581.18
Delaware.....	676,683.16
Florida.....	1,595,820.77
Georgia.....	2,467,192.82
Hawaii.....	449,022.95
Illinois.....	20,814,013.81
Kansas.....	1,689,044.96
Missouri.....	6,394,668.20
Montana.....	650,697.20
Nebraska.....	1,330,835.90
Nevada.....	177,659.37
North Dakota.....	238,116.11
Washington.....	2,925,602.61
Wyoming.....	342,467.75

**Table 5.—Federal appropriations and expenditures under the Social Security Act for the fiscal year 1936-37, and for the fiscal year 1937-38 as of May 31, 1938<sup>1</sup>**

Item	Fiscal year 1936-37		Fiscal year 1937-38	
	Appropriations <sup>1</sup>	Expenditures to June 30, 1937 <sup>2</sup>	Appropriations <sup>1</sup>	Expenditures to May 31, 1938 <sup>3</sup>
<b>ADMINISTRATIVE EXPENSES</b>				
Social Security Board: Salaries and expenses, and wage records.....	\$30,749,700.00	\$15,433,916.68	\$10,500,000.00	\$17,836,206.06
Department of Commerce (Bureau of the Census): Salaries and expenses.....		<sup>4</sup> 101,844.48	25,000.00	8,059.45
Department of Labor (Children's Bureau): Salaries and expenses.....	299,000.00	295,198.61	306,000.00	307,068.43
Total, administrative expenses.....	31,048,700.00	15,830,959.77	10,831,000.00	18,151,333.94
<b>GRANTS TO STATES</b>				
Social Security Board:				
Old-age assistance.....	<sup>5</sup> 126,525,000.00	124,817,575.34	<sup>6</sup> 166,500,000.00	167,961,543.72
Unemployment compensation administration.....	29,000,000.00	9,133,785.16	<sup>7</sup> 22,500,000.00	<sup>8</sup> 34,364,477.85
Aid to dependent children.....	<sup>9</sup> 14,800,000.00	14,297,277.96	<sup>10</sup> 24,900,000.00	25,280,117.92
Aid to the blind.....	<sup>11</sup> 4,675,000.00	4,641,947.33	<sup>12</sup> 5,200,000.00	5,118,528.79
Total, Social Security Board.....	175,000,000.00	152,890,585.79	219,100,000.00	232,724,668.28
Department of Labor (Children's Bureau):				
Maternal and child-health services.....	2,820,000.00	3,114,583.93	3,700,000.00	3,740,083.88
Services for crippled children.....	2,150,000.00	2,120,921.53	2,800,000.00	2,691,940.82
Child-welfare services.....	1,200,000.00	980,490.68	1,475,000.00	1,392,316.56
Total, Department of Labor.....	6,170,000.00	6,215,996.14	7,975,000.00	7,794,341.26
Treasury Department (Public Health Service): Public-health work.....	8,000,000.00	7,819,415.33	8,000,000.00	8,892,079.88
Total, grants to States.....	189,170,000.00	166,925,997.26	235,075,000.00	249,411,089.42
Old-age reserve account (general fund) <sup>13</sup> .....	265,000,000.00	265,000,000.00	500,000,000.00	387,000,000.00
Grand total.....	485,218,700.00	447,756,957.03	745,000,000.00	654,562,423.36

<sup>1</sup> This table follows the form used by the Treasury Department in reporting appropriations and expenditures pursuant to the provisions of the Social Security Act. Certain funds appropriated pursuant to the act are not included here, because the Treasury does not segregate these funds from other funds appropriated for the same purposes. This is true of funds for vocational rehabilitation, for which there was appropriated under the Social Security Act \$841,000 for the fiscal year 1936-37 and \$1,800,000 for the fiscal year 1937-38 for grants to the States, and \$74,420 for 1936-37 and \$95,000 for 1937-38 for administration. For the fiscal year 1936-37, \$5,801,550 was appropriated to the Bureau of Internal Revenue for collection of taxes under titles VIII and IX. For 1936-37, \$31,860 was appropriated to the Treasury Department for salaries in connection with the maintenance and development of the old-age reserve account (title II). The U. S. Public Health Service received appropriations of \$1,320,000 for 1936-37 and \$1,600,000 for 1937-38 for research and administration in addition to the sums for grants to the States shown in this table.

<sup>2</sup> Excludes unexpended balance of appropriations for the previous fiscal year.

<sup>3</sup> On a checks-paid basis.

<sup>4</sup> Expenditures made from 1935-36 appropriation, salaries and expenses, U. S. Bureau of the Census.

<sup>5</sup> After transfer of funds to old-age assistance from appropriations for aid to dependent children and aid to the blind.

<sup>6</sup> Includes an additional appropriation of \$3.5 million approved May 25.

<sup>7</sup> Includes grants by the Social Security Board to States for employment service administration to meet the requirements of the unemployment compensation program.

<sup>8</sup> For a statement of the reserve fund status as of May 31, 1938, showing payments made and interest credited, see table 1.

Source: U. S. Treasury Department: Appropriations from the Office of the Commissioner of Accounts and Deposits, expenditures from the Daily Treasury Statement.

**Table 6.—Federal grants to States under the Social Security Act: Checks issued by the Treasury Department in the fiscal year 1936-37 and in the fiscal year 1937-38 to May 31, 1938<sup>1</sup>**

[In thousands of dollars]

State	Fiscal year 1936-37, total grants	Fiscal year 1937-38 to May 31, 1938								
		Total grants	Social Security Board				Department of Labor <sup>2</sup>			Treasury Department <sup>4</sup>
			Old-age assistance	Aid to de- pendent children	Aid to the blind	Unemploy- ment com- pensation adminis- tration <sup>3</sup>	Maternal and child- health services	Services for crippled children	Child- welfare services	
Total, all participating States.....	\$166,820.4	\$251,754.8	\$168,380.6	\$24,396.6	\$4,995.7	\$37,373.5	\$3,668.2	\$2,682.5	\$1,349.0	\$8,908.7
Alabama.....	1,650.0	2,254.2	806.7	311.0	19.8	605.1	107.0	75.0	39.6	289.9
Alaska.....	46.8	251.0	144.5	( <sup>5</sup> )	( <sup>5</sup> )	29.2	31.8	4.9	5.7	34.8
Arizona.....	244.4	1,298.2	577.1	265.2	41.3	266.5	50.3	38.2	* -2.8	62.4
Arkansas.....	1,240.1	1,784.0	1,061.5	209.1	43.3	152.5	54.7	45.4	22.2	195.3
California.....	14,002.8	23,521.9	17,346.8	1,428.0	970.5	3,196.0	124.2	115.7	23.9	316.8
Colorado.....	4,708.3	5,984.6	5,163.4	452.1	90.8	84.9	56.2	22.0	20.1	96.0
Connecticut.....	2,120.4	3,309.7	2,056.5	( <sup>5</sup> )	0	1,066.1	37.3	33.7	13.0	103.0
Delaware.....	297.3	441.9	179.3	62.5	( <sup>5</sup> )	126.6	25.8	4.3	9.6	33.6
District of Columbia.....	666.8	1,110.2	419.1	180.4	20.6	339.4	41.2	34.2	7.7	67.5
Florida.....	735.6	2,480.7	1,944.5	( <sup>5</sup> )	71.8	173.6	75.2	57.8	29.5	128.3
Georgia.....	808.1	2,032.6	1,074.3	227.5	37.6	205.0	120.2	22.2	42.5	303.4
Hawaii.....	148.8	489.8	130.7	133.3	8.3	89.7	37.3	14.4	11.4	64.8
Idaho.....	1,554.6	1,576.7	1,018.5	264.5	29.0	114.0	42.8	21.6	14.5	71.8
Illinois.....	9,008.5	13,654.0	12,702.6	( <sup>5</sup> )	( <sup>5</sup> )	310.0	124.8	122.4	48.2	346.1
Indiana.....	3,678.8	6,970.5	3,640.3	1,432.2	252.9	1,337.3	75.9	31.1	31.0	169.8
Iowa.....	3,215.8	5,134.2	4,462.2	( <sup>5</sup> )	91.6	237.9	48.3	68.7	32.6	193.0
Kansas.....	226.2	1,974.8	1,229.6	342.0	64.7	117.6	49.5	45.0	21.8	104.6
Kentucky.....	1,517.1	2,647.8	1,980.6	( <sup>5</sup> )	( <sup>5</sup> )	193.8	94.2	53.0	47.6	248.5
Louisiana.....	2,143.4	3,084.4	1,434.0	751.0	15.0	576.0	91.8	( <sup>7</sup> )	27.1	189.4
Maine.....	888.1	1,308.5	355.2	185.3	151.7	441.7	54.9	30.7	17.9	71.2
Maryland.....	2,518.1	3,596.8	1,999.9	855.0	75.8	707.9	60.0	48.2	13.9	136.1
Massachusetts.....	9,443.1	13,809.3	9,891.0	945.3	127.1	2,434.4	78.2	84.7	12.3	236.5
Michigan.....	4,562.8	9,790.9	6,562.5	1,693.1	64.4	922.0	107.4	97.8	51.6	292.1
Minnesota.....	7,304.0	9,806.0	7,808.8	585.4	72.0	967.0	72.1	62.6	38.1	200.1
Mississippi.....	738.0	1,015.9	425.1	( <sup>5</sup> )	( <sup>5</sup> )	245.3	90.7	34.9	11.4	208.4
Missouri.....	4,841.7	6,791.9	5,083.9	226.8	( <sup>5</sup> )	215.6	61.9	63.5	30.0	210.2
Montana.....	1,161.6	1,830.1	1,435.2	140.9	10.2	99.5	48.8	30.1	20.8	44.6
Nebraska.....	3,137.4	2,661.4	1,887.7	476.5	55.0	78.6	26.4	53.8	23.5	57.8
Nevada.....	75.9	418.8	236.6	( <sup>5</sup> )	( <sup>5</sup> )	102.8	37.2	1.0	12.3	29.1
New Hampshire.....	743.8	1,064.8	519.6	55.0	38.1	358.5	22.4	11.9	13.8	45.6
New Jersey.....	4,837.3	4,351.5	2,312.5	1,152.4	72.0	457.6	79.3	50.9	21.4	205.5
New Mexico.....	433.4	657.9	266.5	137.3	16.8	44.1	64.7	23.9	16.7	88.0
New York.....	13,089.9	24,040.0	12,842.6	3,734.7	295.1	6,168.2	167.0	120.3	51.0	661.1
North Carolina.....	813.3	3,153.9	1,190.1	252.0	118.0	978.5	133.9	84.7	61.1	335.5
North Dakota.....	719.2	1,078.5	698.8	104.9	0	96.5	53.6	45.2	16.4	63.1
Ohio.....	17,073.6	16,705.5	13,859.2	1,349.5	409.7	400.1	141.6	143.8	32.2	369.4
Oklahoma.....	4,662.5	5,306.0	4,250.3	357.0	81.9	182.6	72.9	94.0	40.9	226.5
Oregon.....	1,900.3	2,956.5	1,929.9	153.3	64.5	615.2	59.2	24.3	22.1	87.9
Pennsylvania.....	13,648.9	22,340.4	11,756.5	2,609.0	973.0	6,180.5	147.8	178.3	62.6	432.7
Rhode Island.....	675.2	1,482.1	579.4	127.3	( <sup>5</sup> )	641.4	35.9	34.5	3.2	60.2
South Carolina.....	430.8	1,681.7	828.3	138.7	43.8	279.4	104.1	47.2	31.5	208.8
South Dakota.....	1,048.5	1,387.1	1,152.7	( <sup>5</sup> )	7.9	52.2	43.9	29.8	20.4	80.2
Tennessee.....	519.5	2,511.5	927.4	567.0	52.0	511.5	90.3	36.4	38.6	288.4
Texas.....	9,412.4	11,171.0	8,552.5	( <sup>5</sup> )	( <sup>5</sup> )	1,850.2	175.6	113.4	65.5	413.8
Utah.....	1,139.3	2,361.1	1,618.9	331.7	39.4	225.6	40.6	30.0	7.6	67.2
Vermont.....	498.3	756.6	380.4	31.0	11.8	217.4	36.4	19.2	14.2	46.2
Virginia.....	512.3	1,093.4	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	637.9	100.8	70.7	51.9	232.2
Washington.....	4,557.7	6,556.5	5,148.7	863.8	171.6	128.2	45.5	50.5	21.6	126.6
West Virginia.....	1,430.8	3,160.6	1,585.9	436.6	68.0	748.2	56.4	69.1	38.6	157.8
Wisconsin.....	5,429.5	6,319.5	3,964.1	745.2	188.1	1,083.1	62.2	52.0	40.6	184.2
Wyoming.....	523.4	588.1	358.5	83.2	30.5	80.6	8.0	3.6	( <sup>7</sup> )	23.6

<sup>1</sup> Checks issued by the Treasury Department during the given periods for Federal grants to States under the Social Security Act, not including Federal funds for vocational rehabilitation under title V, pt. 4, which are merged with other Federal funds provided for this purpose. For any given period, amounts reported in this table will differ from those reported in tables 7 and 8 showing amounts certified by the Social Security Board to the Secretary of the Treasury for payment to the States, since sums certified by the Board are attributed to the quarter for which they were provided. The Board may certify amounts to be granted for the current period of operation, for future periods, or for prior periods in which programs approved by the Board were in effect. Payments, therefore, are not necessarily made within the period for which the funds are certified.

<sup>2</sup> Includes grants by the Social Security Board to States for employment service administration to meet the requirements of the unemployment compensation program; as of May 31, 1938, such grants had been made to 28 States in which benefits were payable or were soon to become payable.

<sup>3</sup> Administered by the U. S. Children's Bureau.

<sup>4</sup> Administered by the U. S. Public Health Service.

<sup>5</sup> No plan approved by the Social Security Board.

<sup>6</sup> Plan approved on May 13 for the last 2 months of fiscal year. Refund by Arizona of unexpended grants for the fiscal year 1936-37.

<sup>7</sup> No plan approved by the Chief of the U. S. Children's Bureau.

Source: Amount of grants computed from data furnished by the U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.



## Appropriations and Expenditures

An analysis of the appropriations for the Social Security Board for the fiscal year 1938-39, contained in the Independent Offices Appropriation

Act, approved May 23, was presented in the Social Security Bulletin for June. On May 25 the President approved an act (Public Res. 99) which makes a supplemental appropriation of \$3.5 million to the Social Security Board for grants to

**Table 7.—Federal grants to States for public assistance: Advances for the fiscal year 1937-38 certified<sup>1</sup> by the Social Security Board to the Secretary of the Treasury and advances authorized and those certified as of June 30, 1938, for the first quarter of the fiscal year 1938-39**

[In thousands of dollars]

State	Advances certified or authorized by the Social Security Board as of June 30, 1938, for direct assistance and administration of public assistance											
	Total advances certified for the fiscal year 1937-38				Advances authorized for first quarter of fiscal year 1938-39				Advances certified <sup>2</sup> for first quarter of fiscal year 1938-39			
	Total	Old-age assistance	Aid to dependent children	Aid to the blind	Total	Old-age assistance	Aid to dependent children	Aid to the blind	Total	Old-age assistance	Aid to dependent children	Aid to the blind
<b>Total</b>	<b>\$208,266.4</b>	<b>\$178,021.4</b>	<b>\$25,080.9</b>	<b>\$5,164.1</b>	<b>\$30,527.4</b>	<b>\$27,012.7</b>	<b>\$2,801.5</b>	<b>\$713.2</b>	<b>\$9,188.1</b>	<b>\$8,307.2</b>	<b>\$683.0</b>	<b>\$197.9</b>
Alabama	1,239.0	908.2	311.0	19.8	452.6	338.3	105.8	8.5	145.0	125.9	18.1	1.0
Alaska	144.5	144.5	( <sup>3</sup> )	( <sup>3</sup> )	.0	.0	( <sup>3</sup> )	( <sup>3</sup> )	.0	.0	( <sup>3</sup> )	( <sup>3</sup> )
Arizona	930.8	657.2	236.4	37.2	.0	.0	.0	.0	.0	.0	.0	.0
Arkansas	1,313.9	1,061.5	209.1	43.3	.0	.0	.0	.0	.0	.0	.0	.0
California	19,745.4	17,346.8	1,428.0	970.6	6,051.3	5,384.5	396.2	270.6	1,770.4	1,578.9	107.7	83.8
Colorado	6,208.7	5,665.8	452.1	90.8	.0	.0	.0	.0	.0	.0	.0	.0
Connecticut	2,267.4	2,267.4	( <sup>3</sup> )	.0	593.6	593.6	( <sup>3</sup> )	.0	194.4	194.4	( <sup>3</sup> )	.0
Delaware	261.1	198.6	62.5	( <sup>3</sup> )	62.8	47.3	15.5	( <sup>3</sup> )	20.3	15.8	4.5	( <sup>3</sup> )
District of Columbia	625.4	424.4	180.4	20.6	186.5	122.6	56.3	7.6	51.6	33.3	16.5	1.8
Florida	2,264.6	2,192.8	( <sup>3</sup> )	71.8	637.8	617.6	( <sup>3</sup> )	20.2	171.2	171.2	( <sup>3</sup> )	.0
Georgia	1,841.2	1,474.4	310.3	56.5	585.8	454.6	110.9	20.3	107.4	78.6	25.6	5.2
Hawaii	266.9	130.7	127.9	8.3	.0	.0	.0	.0	.0	.0	.0	.0
Idaho	1,420.6	1,116.7	264.5	39.4	.0	.0	.0	.0	.0	.0	.0	.0
Illinois	12,855.7	12,855.7	( <sup>3</sup> )	( <sup>3</sup> )	3,429.1	3,429.1	( <sup>3</sup> )	( <sup>3</sup> )	1,136.7	1,136.7	( <sup>3</sup> )	( <sup>3</sup> )
Indiana	5,730.8	4,045.7	1,432.2	252.9	1,715.0	1,233.6	415.3	66.1	496.5	367.5	114.3	14.7
Iowa	5,072.6	4,981.0	( <sup>3</sup> )	91.6	.0	.0	( <sup>3</sup> )	.0	.0	.0	( <sup>3</sup> )	.0
Kansas	1,840.6	1,433.9	342.0	64.7	.0	.0	.0	.0	.0	.0	.0	.0
Kentucky	1,982.3	1,982.3	( <sup>3</sup> )	( <sup>3</sup> )	573.5	573.5	( <sup>3</sup> )	( <sup>3</sup> )	167.2	167.2	( <sup>3</sup> )	( <sup>3</sup> )
Louisiana	2,325.8	1,559.8	751.0	15.0	.0	.0	.0	.0	.0	.0	.0	.0
Maine	782.0	445.0	185.3	151.7	.0	.0	.0	.0	.0	.0	.0	.0
Maryland	2,630.7	1,699.9	855.0	75.8	744.6	462.7	263.6	18.3	240.6	145.8	90.4	4.4
Massachusetts	11,955.4	10,883.0	945.3	127.1	.0	.0	.0	.0	.0	.0	.0	.0
Michigan	8,328.2	6,570.7	1,693.1	64.4	.0	.0	.0	.0	.0	.0	.0	.0
Minnesota	8,496.4	7,839.0	585.4	72.0	2,152.9	1,963.6	169.6	19.7	656.7	630.1	24.9	1.7
Mississippi	425.1	425.1	( <sup>3</sup> )	( <sup>3</sup> )	.0	.0	( <sup>3</sup> )	( <sup>3</sup> )	.0	.0	( <sup>3</sup> )	( <sup>3</sup> )
Missouri	6,210.7	5,983.9	226.8	( <sup>3</sup> )	1,896.0	1,726.8	169.2	( <sup>3</sup> )	269.9	269.9	.0	( <sup>3</sup> )
Montana	1,586.3	1,435.2	140.9	10.2	.0	.0	.0	.0	.0	.0	.0	.0
Nebraska	2,624.3	2,092.8	476.5	55.0	.0	.0	.0	.0	.0	.0	.0	.0
Nevada	236.5	236.5	( <sup>3</sup> )	( <sup>3</sup> )	74.0	74.0	( <sup>3</sup> )	( <sup>3</sup> )	12.2	12.2	( <sup>3</sup> )	( <sup>3</sup> )
New Hampshire	614.3	521.2	55.0	38.1	.0	.0	.0	.0	.0	.0	.0	.0
New Jersey	3,843.9	2,619.5	1,152.4	72.0	.0	.0	.0	.0	.0	.0	.0	.0
New Mexico	434.4	273.7	142.1	18.6	.0	.0	.0	.0	.0	.0	.0	.0
New York	18,122.6	14,092.8	3,734.7	295.1	.0	.0	.0	.0	.0	.0	.0	.0
North Carolina	1,684.4	1,190.1	340.4	153.9	.0	.0	.0	.0	.0	.0	.0	.0
North Dakota	804.6	699.7	104.9	.0	.0	.0	.0	.0	.0	.0	.0	.0
Ohio	15,618.4	13,856.2	1,349.5	400.7	4,898.3	4,416.2	366.3	115.8	1,788.0	1,667.9	87.3	32.8
Oklahoma	5,468.1	4,711.5	637.4	119.2	175.2	122.9	34.8	17.5	58.4	41.0	11.6	5.8
Oregon	2,147.7	1,929.9	153.3	64.5	691.3	618.7	52.4	20.2	166.1	158.2	3.6	4.3
Pennsylvania	16,462.5	12,880.5	2,609.0	973.0	.0	.0	.0	( <sup>3</sup> )	.0	.0	.0	( <sup>3</sup> )
Rhode Island	771.2	643.9	127.3	( <sup>3</sup> )	.0	.0	.0	( <sup>3</sup> )	.0	.0	.0	( <sup>3</sup> )
South Carolina	1,010.8	828.3	138.7	43.8	.0	.0	.0	.0	.0	.0	.0	.0
South Dakota	1,308.5	1,300.6	( <sup>3</sup> )	7.9	.0	.0	( <sup>3</sup> )	.0	.0	.0	( <sup>3</sup> )	.0
Tennessee	1,706.8	1,087.8	567.0	52.0	797.5	564.0	201.3	32.2	309.4	237.4	57.7	14.3
Texas	9,375.7	9,375.7	( <sup>3</sup> )	( <sup>3</sup> )	2,412.6	2,412.6	( <sup>3</sup> )	( <sup>3</sup> )	766.2	766.2	( <sup>3</sup> )	( <sup>3</sup> )
Utah	2,170.6	1,799.5	331.7	39.4	.0	.0	.0	.0	.0	.0	.0	.0
Vermont	471.6	424.8	31.0	15.8	131.1	131.1	( <sup>3</sup> )	.0	46.4	46.4	.0	.0
Virginia	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Washington	6,184.1	5,148.7	863.8	171.6	.0	.0	.0	.0	.0	.0	.0	.0
West Virginia	2,241.6	1,737.0	436.6	68.0	567.9	409.3	137.9	20.7	150.1	110.0	34.5	5.6
Wisconsin	5,704.2	4,444.7	1,007.2	252.3	1,574.5	1,217.9	288.5	68.1	430.9	328.0	82.2	20.7
Wyoming	507.5	393.8	83.2	30.5	123.5	98.2	17.9	7.4	32.5	26.6	4.1	1.8

<sup>1</sup> Advances from Federal funds certified as of the given date by the Social Security Board for a specified quarter for direct assistance and administration of the specified types of public assistance under the Social Security Act. This table is not comparable to the tables showing the amount of obligations incurred for payments to recipients, which include payments to recipients from Federal, State, and local funds and exclude administrative expense.

<sup>2</sup> In all cases, these certifications are for the month of July.

<sup>3</sup> No plan approved by the Social Security Board.

Source: Social Security Board, Bureau of Accounts and Audits.

States for the administration of unemployment compensation laws. This sum is to be available during the remainder of the fiscal year 1937-38, and, together with the previous appropriation of

\$19 million, brings the total appropriation under title III of the Social Security Act to \$22.5 million.

The Second Deficiency Appropriation Act for the fiscal year 1937-38, approved June 25, 1938,

**Table 8.—Federal grants to States for administration of unemployment compensation laws and State employment services:<sup>1</sup> Advances<sup>2</sup> for the fiscal year 1937-38 certified by the Social Security Board to the Secretary of the Treasury and advances authorized as of June 30, 1938, for the first quarter of the fiscal year 1938-39**

[In thousands of dollars]

State	Advances <sup>3</sup> certified or authorized by the Social Security Board as of June 30, 1938, for—				
	Administration of unemployment compensation and employment services		Unemployment compensation administration		Employment service administration <sup>3</sup>
	Total, fiscal year 1937-38	First quarter, fiscal year 1938-39	Fiscal year 1937-38	First quarter, fiscal year 1938-39	Fiscal year 1937-38
Total.....	\$42,255.9	\$1,780.5	\$27,878.1	\$1,780.5	\$14,377.8
Alabama.....	713.6	.0	473.6	.0	240.0
Alaska.....	31.0	6.2	31.0	6.2	
Arizona.....	303.2	.0	202.1	.0	101.1
Arkansas.....	171.2	51.3	171.2	51.3	
California.....	3,488.8	.0	2,479.4	.0	979.4
Colorado.....	100.9	29.8	100.9	29.8	
Connecticut.....	1,217.0	.0	834.7	.0	382.3
Delaware.....	138.4	33.8	138.4	33.8	
District of Columbia.....	366.9	.0	270.7	.0	96.2
Florida.....	191.9	.0	191.9	.0	
Georgia.....	225.8	51.1	225.8	51.1	
Hawaii.....	98.8	.0	98.8	.0	
Idaho.....	126.4	.0	126.4	.0	
Illinois.....	362.4	197.1	362.4	197.1	
Indiana.....	1,566.7	.0	1,078.9	.0	487.8
Iowa.....	294.6	136.1	209.9	136.1	84.7
Kansas.....	131.2	.0	131.2	.0	
Kentucky.....	223.0	.0	223.0	.0	
Louisiana.....	655.0	.0	411.7	.0	243.3
Maine.....	494.4	106.9	319.4	106.9	175.0
Maryland.....	813.2	.0	541.9	.0	271.3
Massachusetts.....	2,717.7	.0	1,807.4	.0	830.3
Michigan.....	1,261.5	667.7	744.8	667.7	516.7
Minnesota.....	1,060.5	.0	668.1	.0	422.4
Mississippi.....	289.5	62.7	189.0	62.7	100.5
Missouri.....	251.2	.0	251.2	.0	
Montana.....	108.8	29.7	108.8	29.7	
Nebraska.....	88.3	37.7	88.3	37.7	
Nevada.....	109.9	.0	109.9	.0	
New Hampshire.....	390.9	69.0	200.0	69.0	121.9
New Jersey.....	521.1	.0	521.1	.0	
New Mexico.....	48.9	.0	48.9	.0	
New York.....	6,994.9	.0	3,658.5	.0	3,336.4
North Carolina.....	1,120.1	.0	740.8	.0	379.3
North Dakota.....	106.4	.0	106.4	.0	
Ohio.....	482.4	.0	482.4	.0	
Oklahoma.....	203.7	.0	203.7	.0	
Oregon.....	698.7	.0	542.9	.0	155.8
Pennsylvania.....	6,890.1	.0	4,210.8	.0	2,679.3
Rhode Island.....	730.3	167.1	592.6	167.1	137.7
South Carolina.....	344.0	.0	209.4	.0	74.6
South Dakota.....	58.9	19.5	58.9	19.5	
Tennessee.....	605.0	.0	344.1	.0	260.9
Texas.....	1,025.7	.0	750.6	.0	1,175.1
Utah.....	254.6	63.1	183.5	63.1	71.1
Vermont.....	246.3	51.7	164.8	51.7	81.5
Virginia.....	724.1	.0	496.1	.0	228.0
Washington.....	142.5	.0	142.5	.0	
West Virginia.....	882.2	.0	588.4	.0	293.8
Wisconsin.....	1,194.8	.0	733.4	.0	461.4
Wyoming.....	88.5	.0	88.5	.0	

<sup>1</sup> Advances certified or authorized by the Social Security Board for State employment service administration to meet the requirements of the unemployment compensation program; this table does not include Federal grants by the U. S. Employment Service under the Wagner-Peyser Act nor State or local appropriations to the employment service.

<sup>2</sup> Advances are certified by the Social Security Board to the Secretary of the Treasury for a specified quarter of operation, which is not necessarily the period in which the certification is made. By June 30, 1938, all grants authorized for the fiscal year 1937-38 had been certified by the Social Security Board to the Secretary of the Treasury; none of the authorizations for the first quarter of the fiscal year 1938-39 had been so certified.

<sup>3</sup> As of June 30, 1938, there had been no grants authorized for employment service administration for the first quarter of the fiscal year 1938-39.

Source: Social Security Board, Bureau of Accounts and Audits.

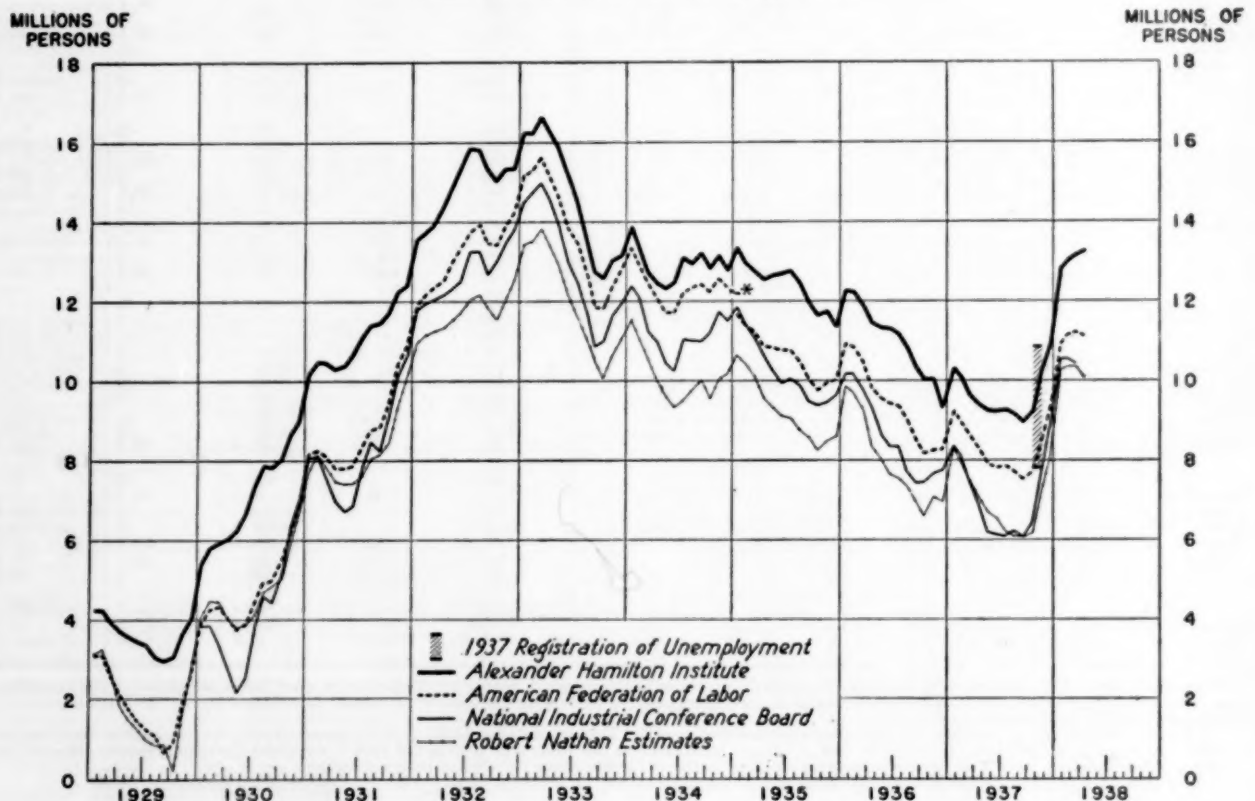
contained an appropriation to the Procurement Division of the Treasury Department looking toward the construction of buildings for housing the Social Security Board and the Railroad Retirement Board. The sum of \$3 million was appropriated in this act for the acquisition of the necessary land and for starting the construction of such buildings. The total to be expended is limited to \$14,250,000.

### Unemployment and Economic Conditions

Chart I presents four current estimates of the volume of unemployment through the month of April. The preliminary estimates of the National Industrial Conference Board and of Robert Nathan indicate that the number of unemployed in April decreased between 200,000 and 300,000 persons as compared with the March estimates; the preliminary estimate of the American Federation of Labor indicates a decrease of approximately 100,000 persons during the same period. The fourth estimate, that of the Alexander Hamilton Institute, indicates an increase in unemployment during the period of 93,000 persons.

The changes which took place in other economic series between March and April reflect further the economic conditions currently prevailing. The adjusted Federal Reserve index of factory employment declined from 81.6 in March to 79.2 in April, while the Bureau of Labor Statistics index of factory pay rolls, unadjusted for seasonal variation, decreased from 73.3 in March to 70.5 in April. The adjusted index of industrial production of the Federal Reserve Board stood at 77 in April as contrasted with 79 in March and 118 in April 1937. The adjusted index of income paid out, prepared by the Department of Commerce, declined from 80.5 in March to 79.4 in April. The cumulative picture presented by these and other economic series indicates a further decline in general business conditions and in the pay rolls that are dependent upon productive enterprise. These conditions affect social security operations at various points, both with respect to income received from pay-roll taxes and the outgo for the various types of social security disbursements, such as those for unemployment benefits and public-assistance payments.

Chart I.—Estimates of unemployment



\* Revised January 1935 to date.



# RECENT PUBLICATIONS IN THE FIELD OF SOCIAL SECURITY

## GENERAL

BECK, DOROTHY FAHS

"Problems in the Compilation of Data on Total Relief and Work Program Expenditures." *Journal of the American Statistical Association*, Menasha, Wisconsin, Vol. 33, Whole No. 202 (June 1938), pp. 353-362.

An account of statistical work in connection with the investigation of the United States Senate Special Committee to Investigate Unemployment and Relief.

BITTERMAN, HENRY J.

*State and Federal Grants-in-Aid*. New York, Chicago: Mentzer, Bush & Co., 1938. 550 pp.

Considers the State grant to the local government units, as well as Federal grants to States; notes the stimulating effect that the Social Security Act has had on the States; outlines the social security grants-in-aid, as well as grants for emergency unemployment relief; and evaluates the grant-in-aid system.

BURNS, ARTHUR E., and WILLIAMS, EDWARD A.

*A Survey of Relief and Security Programs*. Washington: Works Progress Administration, May 1938. 102 pp. Processed.

The writers trace the development of recent relief policies and show the close interrelationships of the Federal work program, the direct relief programs of the several States, and the cooperative Federal-State activities under the Social Security Act.

DEWHURST, J. FREDERIC

"Old-Age Security Financing in Relation to Income Tax Reform." *Bulletin of the National Tax Association*, Vol. 23, No. 8 (May 1938), pp. 240-245.

By relating two recent studies of the Twentieth Century Fund, *More Security for Old Age* and *Facing the Tax Problem*, the writer presents a new scheme for taking care of the aged. The suggested program involves a merging of the old-age security taxes with the regular income tax, abandonment of the present old-age assistance scheme, and a radical modification of the old-age insurance program.

GREAT BRITAIN. MINISTRY OF LABOUR

"Schemes Providing for Pensions for Employees on Retirement from Work." *Ministry of Labour Gazette*, London, Vol. 56, No. 5 (May 1938), pp. 172-174.

Gives results not previously published of an inquiry by the Ministry of Labour on the extent and nature of British private pension plans. Statistics are presented as to type of employment, numbers protected, workers' contributions, type of insurer, retirement age, and other points.

O'GRADY, RT. REV. MSGR. JOHN

"Problems of Social Security in United States." *Studies* (An Irish Quarterly Review), Vol. 27, No. 105 (March 1938), pp. 35-46.

Among the problems considered are those dealing with the unemployed worker who has exhausted his unemployment benefits; those dealing with old-age assistance payments, particularly as they relate to early benefits under the old-age insurance program and as they affect the social services; and those associated with rates of pay and local participation in the WPA program.

OHIO. UNEMPLOYMENT COMPENSATION COMMISSION. EMPLOYMENT SERVICE DIVISION

*The Social Security Act and Social Security in Ohio*. Columbus: The Commission, June 1938. 30 pp. Processed.

Collected articles by William Papier, now chief of the division of research and statistics of the Commission. They describe the Social Security Act in simple language, with special emphasis on the Ohio program.

TAYLOR, CARL C., WHEELER, HELEN W., and KIRKPATRICK, E. L.

*Disadvantaged Classes in American Agriculture*. Washington: U. S. Department of Agriculture, April 1938. 124 pp. Processed. (Farm Security Administration and Bureau of Agricultural Economics, Social Research Report No. VIII.)

The Foreword describes this publication as a "more or less impressionistic study of the 'sore spots' in American rural life." Included in the seven chapters are discussions of hired farm laborers, migrating farm families, and farm families on relief and rehabilitation.

WOOFER, T. J., JR., and WHITING, T. E.

"Households and Persons Receiving Relief or Assistance." *Journal of the American Statistical Association*, Menasha, Wis., Vol. 33, Whole No. 202 (June 1938), pp. 363-372.

Includes description and discussion of several statistical series used to estimate the net total number of households and persons receiving relief, Works Program employment, and emergency employment over a period extending from 1933 to the early months of 1938.

## EMPLOYMENT AND UNEMPLOYMENT

BURNS, EVELINE M.

"Unemployment Compensation in the United States." *International Labour Review*, Geneva, Vol. 37, No. 5 (May 1938), pp. 584-617.

This article is divided into two main parts: "The Characteristic Features of American Legislation," and "Outstanding Problems and Issues." In the latter portion Professor Burns considers administrative organization, the problem of coordinating the 51 separate systems, the question of simplifying legal procedures, the financial issue, and the relation of compensation to unemployment relief. She finds that simplification of laws and administrative practices is the most urgent issue and concludes that a unified concept of the purpose of unemployment compensation remains to be developed.

HUMPHRIES, DON D.

"The Relation of Surpluses to Income and Employment During Depression." *American Economic Review*, Menasha, Wis., Vol. 28, No. 2 (June 1938), pp. 223-234.

A critique of the current view that because corporate surpluses were reduced during the depression, employment was correspondingly maintained. The author's summary states, in part: "Prevalent opinion is that business enterprise created employment during the depression by spending accumulated surpluses. Income estimates, which show that income paid out exceeded income produced, have been used to prove this view. But this is a misuse of these income data, which in reality indicate disinvestment, and hence less employment."

HUNT, ALLEN

*The Post-War History of the British Working Class*. New York: Coward-McCann, 1938. 274 pp. Illustrated.

A narrative of British labor and the Labor Party which deals with unemployment and the reaction of the unemployed workers to economic conditions and to government measures.

## HEALTH AND MEDICAL CARE

AMERICAN PUBLIC WELFARE ASSOCIATION

*Report of the Committee on Medical Care*, Annual Meeting, Seattle, Washington, June 30, 1938. Chicago: The Association, June 1, 1938. 48 pp. Processed.

An analysis is included of the replies to a questionnaire sent to welfare officials in large cities and counties and to all States, in order to secure information on the problems of welfare officials in the field of medical care.

PARRAN, THOMAS

"Public Health as Economics." *Social Service Review*, Chicago, Vol. 12, No. 2 (June 1938), pp. 205-215.

Review and interpretation of recent health surveys and reports, by the United States Surgeon General.

## PUBLIC ASSISTANCE AND RELIEF

ABBOTT, EDITH

"Is There a Legal Right to Relief?" *Social Service Review*, Chicago, Vol. 12, No. 2 (June 1938), pp. 260-275.

Miss Abbott gives legal principles and leading cases on the "right" to assistance. A portion of her conclusion contrasts public assistance for special groups and general relief as follows: "Since the passage of the federal Social Security Act, these special forms of aid provide for an appeal and a hearing if the request for aid is refused. The old poor laws do not give this security. To abolish or rewrite the old pauper laws is the only method that will bring our oldest form of social security in line with our modern social welfare program."

ARMSTRONG, LOUISE V.

*We Too Are the People*. Boston: Little Brown, 1938. 474 pp.

The author was relief administrator in a county in northern Michigan for 3 years. Her book is a personal account of the people who were aided, the social and political conditions that were encountered, and the programs that were carried out.

BRECKINRIDGE, SOPHONISBA P.

"Social Workers in the Courts of Cook County." *Social Service Review*, Chicago, Vol. 12, No. 2 (June 1938), pp. 230-250.

Describes the Cook County courts and some results of attempts to place professionally qualified social workers at the service of the Chicago courts. This effort to improve existing legal procedures is said to be handicapped by the lack of statutory status and authority for the social workers.

FARNHAM, REBECCA, and LINK, IRENE

*Effects of the Works Program on Rural Relief; A Survey of Rural Relief Cases Closed in Seven States, July through November, 1935*. Washington: U. S. Government Printing Office, 1938. 115 pp. (Works Progress Administration, Division of Social Research, Research Monograph XII.)

The results of economic recovery, and especially of the change in relief when the Works Program was inaugurated in 1935, are analyzed for 71 rural counties of 7 States, by a sample study of 5,377 families that were dropped from FERA.

HABER, WILLIAM

"The Public Welfare Problem in Massachusetts." *Social Service Review*, Chicago, Vol. 12, No. 2 (June 1938), pp. 179-204.

The author served as technical consultant to the Massachusetts Special Committee on Taxation and Public Expenditures, the report of which was noted in the May issue of this Bulletin. He affirms in this article that the experience of Massachusetts, with its unique conditions of local relief, refutes the common assertion that financial and administrative centralization has been responsible for the recent increases in relief.

## STATE PERIODICAL PUBLICATIONS IN THE FIELD OF EMPLOYMENT SERVICE AND UNEMPLOYMENT COMPENSATION

Unless otherwise noted, the following publications are issued monthly, and the issue for January 1938 is the first number of the volume given.

### CALIFORNIA. STATE DEPARTMENT OF EMPLOYMENT

*Employment News*, Sacramento. About 20 pp., printed. Vol. 2.

Special articles and technical interpretation; informational items suitable for press use; loose-leaf section of rules, etc. Occasional statistical reports and interpretations.

### CALIFORNIA. STATE DEPARTMENT OF EMPLOYMENT. UNEMPLOYMENT RESERVES COMMISSION

*Report to Governor*. Place not given. Volume not given. About 50 pp. Processed. (Issued on the 23rd of each month.)

Principally a review, with text and tables, of the internal activities of the Department. Benefit and claims statistics, financial data, registrations, and administrative functions are given, with summaries and comment.

### COLORADO. STATE EMPLOYMENT SERVICE

*Colorado Employment Service News*, Denver. 4 pp., printed. Vol. 5.

Informational material suitable for press use; statistical summary of Employment Service activities by districts.

### CONNECTICUT. DEPARTMENT OF LABOR

*Monthly Bulletin of Placement and Unemployment Compensation Division*, Hartford. About 12 pp., printed. Vol. 3. Published by the Research Division of the Department of Labor.

Technical interpretations of State act, professional articles, informational items. Employment Service statistics of placements.

### ILLINOIS. STATE EMPLOYMENT SERVICE

*Illinois Employment News*. Place not given. About 15 pp., processed. Vol. 3.

News notes and articles, including exchanges. Primarily for the Employment Service staff.

### HOPKINS, HARRY L.

"The WPA Looks Forward: a Statement and a Forecast." *Survey Midmonthly*, New York, Vol. 24, No. 6 (June 1938), pp. 195-198.

A description of the current relief situation, together with a consideration of the principal arguments against the Works Program.

### INDIANA. STATE EMPLOYMENT SERVICE AND UNEMPLOYMENT COMPENSATION BOARD

*Indiana Employment Review*, Indianapolis. 4 pp., printed. Vol. 5.

Statistics of employment and pay rolls, and of placement activities. Articles, principally of employer interest.

### INDIANA. UNEMPLOYMENT COMPENSATION DIVISION

*Indiana Unemployment Compensation Advisor*, Indianapolis. About 20 pp., processed. Vol. 1 (January issue is No. 6).

Informational items and technical interpretations of the State law. Statistics on condition of the unemployment fund. For staff members.

### IOWA. BUREAU OF LABOR

*Iowa Employment Survey*, Des Moines. 4 pp., printed. Vol. 17.

Statistics of employment and accidents; general business analysis and comment from various businesses.

### KANSAS. COMMISSION OF LABOR AND INDUSTRY

*Kansas Labor and Industrial Bulletin*, Topeka. About 16 pp., printed. Vol. 7 (January issue is No. 6).

Tables and charts on employment and pay rolls, bank debits, building permits, retail price of food, industrial accidents. Contains series explaining State unemployment compensation law through rules and regulations.

### KENTUCKY. STATE EMPLOYMENT SERVICE

*Employment Service Envoy*, Frankfort. About 12 pp., processed. Vol. 3.

Statistics of placement; articles. Primarily for staff members.

### MASSACHUSETTS. DEPARTMENT OF LABOR AND INDUSTRIES

*Employment and Earnings of Wage-earners in Principal Fields of Employment in Massachusetts*, Boston. 4 pp., processed. Vol. not given.



Statistics and text. Separate bulletins also published covering employment and pay rolls in manufacturing, wholesale and retail trade, building trades, highway construction, and office and miscellaneous employment.

**MICHIGAN. DEPARTMENT OF LABOR AND INDUSTRY**

(Labor Statistics.) Place not given. About 4 pp., processed. No. 97, January 1938.

Statistical tables on employment and pay rolls, cost of living, industrial accidents.

**MINNESOTA. STATE EMPLOYMENT SERVICE**

*Monthly Employment Bulletin*, St. Paul. About 10 pp., processed. Vol. not given.

Employment and earning statistics; employment service statistics.

**MISSOURI. STATE EMPLOYMENT SERVICE**

*MSES Round Table*, Jefferson City. About 25 pp., processed. Vol. 3.

Professional articles, exchanges, and informational items. Tables and charts of placement activities, by locality.

**NEW HAMPSHIRE. STATE EMPLOYMENT SERVICE**

*Employment Service Digest*, Concord. About 35 pp., processed. Vol. 3.

Informational items, articles, exchanges. Statistical summary of employment service activities. Primarily for staff members.

**NEW YORK. DEPARTMENT OF LABOR**

*Industrial Bulletin*, Albany. About 40 pp., printed. Vol. 17.

Comprehensive labor and labor law data; employment and placement statistics; unemployment insurance news.

**NORTH CAROLINA. DEPARTMENT OF LABOR**

*North Carolina Labor and Industry*, Raleigh. 4 pp., printed. Vol. 5.

Informational items from Division of Standards and Inspection, building permit and construction statistics, general State labor news.

**NORTH CAROLINA. STATE EMPLOYMENT SERVICE**

*NCSSES News*, Raleigh. 2 pp., processed. Weekly. April 6, 1938, Vol. 2, No. 40.

Concise statistics of employment service activities; news notes.

**OHIO. STATE EMPLOYMENT SERVICE**

*Broadcast*, Columbus. About 25 pp., processed. Vol. 3.

Articles, exchanges, news. Statistics on applications and placements. Primarily for staff members.

**OHIO. OHIO STATE EMPLOYMENT SERVICE**

*Report of Activities*, Columbus. About 10 pp., processed. Vol. not given.

Statistical tables on employment service activities.

**PENNSYLVANIA. DEPARTMENT OF LABOR AND INDUSTRY**

*The Keystone; Labor and Industry*, Harrisburg. About 50 pp. Frequency of issue not given. March 1938, Vol. I, No. 1.

"*The Keystone*, a review of Pennsylvania labor and industry, makes its first appearance with this number. It will be issued periodically to acquaint the public with the activities of the Department of Labor and Industry, and in addition, will present certain statistical data."—Secretary's Message. Includes statistics on employment, pay rolls, living costs, and workmen's compensation.

**PENNSYLVANIA. DEPARTMENT OF LABOR AND INDUSTRY**

*Laborgraphic* (successor to the *Quarterly Bulletin* which began in 1913), Harrisburg. About 50 pp., printed. Vol. not given.

Each issue has a special study of some phase of labor protection. Regular statistics on employment and pay rolls, living costs, unemployment compensation, and workmen's compensation.

**RHODE ISLAND. STATE EMPLOYMENT SERVICE**

*The Interviewer*, Providence. About 20 pp., processed. Vol. 2 (January issue is No. 2).

Articles on employment service.

**VIRGINIA. STATE EMPLOYMENT SERVICE**

*Virginia Employment Service News*, Richmond. Weekly. About 10 pp., processed. Vol. not given.

Employment service statistical summaries, professional notes.

**WISCONSIN. INDUSTRIAL COMMISSION**

*Activities of Wisconsin State Employment Service*, Madison. About 24 pp., processed. Vol. not given. Prepared by the Statistical Department.

Contains between 30 and 40 statistical tables on employment service activities.

**WISCONSIN. INDUSTRIAL COMMISSION**

*Wisconsin Labor Market*, Madison. About 12 pp., printed. Vol. 18.

Statistics of employment, pay rolls, trade, manufacturing, and unemployment compensation benefit payments.

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